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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Sierra Leone

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Mission in Sierra Leone

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Mission in Sierra Leone (UNAMSIL) for the period from 1 July 2000 to 30 June 2001 (A/56/833) and on the proposed budget for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/855). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The United Nations Mission in Sierra Leone was established by Security Council resolution 1270 (1999) of 22 October 1999. The mandate of the Mission has since been extended and adjusted by subsequent Council resolutions, the latest of which was resolution 1370 (2001) of 18 September 2001, which extended the mandate of UNAMSIL for a period of six months from 30 September 2001. Information on the political mandate of the Mission is contained in paragraphs 6 to 11 of the proposed budget (A/56/855).

Financial performance for the period from 1 July 2000 to 30 June 2001

3. The General Assembly, by its resolution 54/241 B of 15 June 2000, appropriated an amount of $504,399,051 gross ($496,545,461 net) for the maintenance of UNAMSIL for the period from 1 July 2000 to 30 June 2001. Subsequently, in its resolution 55/251 A of 12 April 2001, the Assembly appropriated the additional amount of $73,273,600 gross ($73,784,400 net) for the maintenance of the Mission during the same period. The total resources provided by the General Assembly for the operation and maintenance of UNAMSIL for the 2000-2001 financial period amounted to $577,672,651 gross ($570,329,861 net), inclusive of $23,931,281 gross ($20,250,873 net) for the support account for peacekeeping operations and $3,741,370 gross ($3,328,988 net) for the United Nations Logistics Base at Brindisi, Italy. However, the approved assessment for the financial period 2000-2001 amounted to $541,035,851 gross ($533,437,661

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net), resulting in the unassessed balance of $36,636,800 gross ($36,892,200 net). Voluntary contributions in kind (budgeted) made available for UNAMSIL during the financial period 2000-2001 are estimated at $1,350,100. Other income for the financial period 2000-2001 in the total amount of $14,650,000, is attributable to interest income ($5,222,000), other/miscellaneous income ($966,000) and savings on cancellation of prior period obligations ($8,462,000).

4. As indicated in paragraph 19 of the financial performance report, expenditures for the period amounted to $520,734,300 gross ($513,198,900 net), inclusive of $248,487,100 in unliquidated obligations. The resulting unencumbered balance of $56,938,351 gross ($57,130,961 net) represents, in gross terms, 9.9 per cent of the amount appropriated. The Committee enquired about the appropriateness of including amounts for the support account for peacekeeping operations and for the United Nations Logistics Base at Brindisi when calculating the percentage of unencumbered balance in financial performance reports as against appropriation. Its comments are contained in its general report on peacekeeping operations.

5. Table 2 of the report contains a breakdown of expenditure and unencumbered balance by category of expenditure. The Advisory Committee notes that the unencumbered balance of $56,938,400 gross is due to savings under military personnel ($29,770,000), civilian personnel ($3,915,600), operational requirements ($22,901,700) and other programmes ($543,700), which were partially offset by increased requirements of $192,600 under staff assessment. As indicated in paragraphs 1 to 8 of annex II to the performance report, the unencumbered balance of $29,770,000 under military personnel results from delayed deployment of military observers and contingents, as well as from reduced requirements for rations, particularly bottled water, and other requirements pertaining to military personnel.

6. The unencumbered balance of $3,915,600 under civilian personnel is due to significant delays in the deployment of civilian police advisers, international and local civilian personnel and United Nations Volunteers. The Committee observes that the full deployment of 60 civilian police advisers was never attained with the actual deployment of an average of 33 police advisers and actual average deployment rate of 45 per cent compared to the estimated factor of 10 per cent for the period; moreover, the Mission experienced actual vacancy rates of 16 and 21 per cent for international and local staff, respectively, as opposed to the anticipated vacancy factor of 10 per cent for both categories of staff. With regard to the deployment of United Nations Volunteers, the Committee notes that, while it was projected that a total of 938 work months of volunteer services would be utilized, only 851 work months were actually utilized during the period.

7. The unencumbered balance of $22,901,700 under operational requirements resulted primarily from savings with respect to premises and accommodation ($4,367,500), infrastructure repairs ($1,251,100), transport operations ($1,943,300), air operations ($4,769,500), other equipment ($9,248,200) and supplies and services ($2,939,500), which were partially offset by additional requirements pertaining to communications ($262,200) and air and surface freight ($1,355,200). The Committee notes, from paragraph 16 of annex II to the performance report, that savings under premises and accommodations are due not only to non-rental of several facilities and a lower level of acquisition of prefabricated buildings, but also to the incorrect recording of charges associated with alteration and renovation of premises to other budget line items, in particular maintenance supplies. The Committee also notes from paragraph 18 of annex II to the performance report that savings under infrastructure repair of $1,251,100 are attributable in part to the purchase of seven Bailey (transportable) bridges at an average cost of $131,521 each, compared to the budgeted cost of $250,000 each. The Committee was informed, upon enquiry, that two new Bailey bridges were purchased at a total cost of $684,300 and that five other Bailey bridges were acquired from a repatriating troop contributor under a letter-of-assist arrangement at a total cost of $236,400.

8. As indicated in paragraph 19 of annex II to the performance report, the unencumbered balance of $1,943,300 under transport operations is attributable primarily to the reduced acquisition of vehicles in light of the transfer of 49 vehicles from MINUGUA and to the reduced requirements for petrol, oil and lubricants resulting from delayed deployment of United Nations-owned vehicles.

9. The Advisory Committee observes that the unencumbered balance of $4,769,500 under air operations is due mainly to the utilization of a lower than anticipated number of flight hours. **The Committee welcomes the inclusion in the**

performance report of information on actually utilized flight hours, as compared with the projected hours (see para. 21 of annex II to the report), and requests that this type of information be included in all performance reports for missions that have budgetary provisions for air operations.

10. The Advisory Committee observes from the performance report (A/56/833, annex II, para. 25) that the major contributing factor to the unencumbered balance of $9,248,200 under other equipment was the non-acquisition of equipment during the reporting period owing to lack of the requisite lead time for the completion of the procurement process prior to the closing of accounts for the reporting period. Moreover, as indicated in the performance report (ibid., annex II, para. 27), the unencumbered balance of $2,939,500 under supplies and services is due not only to the delayed deployment of Mission personnel but also to the fact that "the Mission was unable to conclude purchase orders prior to the closure of the financial accounts for the period". **In this connection the Committee notes that only one person in UNAMSIL participated in procurement workshop training during the reporting period (ibid., annex II, para. 31, table). In view of the magnitude of acquisitions processed and administered by the Mission, and taking into account the deficiencies in management of non-expandable equipment of UNAMSIL identified by the Board of Auditors in its report on the accounts of peacekeeping operations for the period ended 30 June 2001 (A/56/5 (vol. II), para. 25 (d)), the Advisory Committee requests that the administration increase procurement training for UNAMSIL staff.**

11. The Advisory Committee also notes from the performance report (A/56/833, annex II, para. 31) that the unencumbered balance of $167,000 under training programmes "resulted mainly from an amount totalling $120,848 in training costs being incorrectly charged to other travel" (see also para. 7 above on incorrect recording of charges associated with alteration and renovation of premises). **In the view of the Committee, measures should be taken to improve monitoring and recording of expenditure at UNAMSIL, through, inter alia, appropriate training; as can be seen from paragraph 31, annex II to the performance report, no training in accounting was conducted by the Mission during the reporting period.**

12. The actions to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2000 to 30 June 2001 (ibid., para. 22) are as follows: (a) a decision on the reduction in the appropriation from $577,672,651 gross to $541,035,851 gross, corresponding to the amount actually assessed on Member States; (b) a decision on the treatment of the unutilized balance of $20,301,551 gross; and (c) a decision on the treatment of the other income for the period from 1 July 2000 to 30 June 2001 amounting to $14,650,000. **The Advisory Committee recommends that the appropriation provided in General Assembly resolutions 54/241 B and 55/251 A for the maintenance of UNAMSIL during the period from 1 July 2000 to 30 June 2001 be reduced from $577,672,651 gross ($570,329,861 net), to $541,035,851 gross ($533,437,661 net), corresponding to the amount actually assessed on Member States. Furthermore, the Committee recommends that the unutilized balance of $20,301,551 gross ($20,238,761 net) and other income amounting to a total of $14,650,000 for the period from 1 July 2000 to 30 June 2001 be credited to Member States in a manner to be determined by the General Assembly.**

Information on performance for the current period

13. The Advisory Committee was provided with expenditure data for the period from 1 July 2001 to 30 June 2002 as at 20 February 2002. Expenditure for the period amounted to $553,264,100 gross ($551,053,000 net), including $384,394,400 in unliquidated obligations and $9,088,600 in pre-encumbrances, against an apportionment of $692,000,000 gross ($686,440,800 net). The Committee was informed, upon enquiry, that the expenditures of $553,264,100 gross include a provision of $437,161,900 representing the 12-month requirements for military and a provision of $58,074,000 representing the 11-month requirements for air operations.

14. The Advisory Committee was informed that amounts totalling $1,289.2 million have been assessed on Member States in respect of UNAMSIL since its inception to 30 June 2002 and that contributions received as at 31 January 2002 totalled $792.2 million. Outstanding balances amount to $497 million.

15. Cash balances of UNAMSIL amounted to $101.7 million as at 19 February 2002. The Advisory Committee was informed that troop-contributing countries had received payments totalling $273,229,995 for the period from 1 November 1999 to 31 October 2001 and that an estimated amount of $57,503,818 was still due for the period from 1 November to 31 January 2002. The Committee was also informed that the status of reimbursement for contingent-owned equipment and self-sustainment for the period from the inception of UNAMSIL is, as at 4 March 2002, as follows: (a) an amount of $15.6 million was reimbursed, (b) the amount owed is estimated at $286.7 million, and (c) unliquidated obligations are estimated at $297.7 million.

16. The Advisory Committee was informed that the incumbency situation of UNAMSIL, as at 15 February 2002, was as follows:

Category of personnel	*Authorized level**	*Encumbered*	*Vacancy rate (Percentage)*
Military contingents	17 240	17 115	0.7
Military observers	260	254	2.3
Civilian police	90	60	33.3
International staff	398	302	24.1
Local staff	623	529	15.1
United Nations Volunteers	168	127	24.4

* Includes additional authorization for the elections: 30 civilian police, 18 international staff and 12 local staff.

Cost estimates for the period from 1 July 2002 to 30 June 2003

17. The proposed budget for UNAMSIL for the period from 1 July 2002 to 30 June 2003 (A/56/855) amounts to $669,476,400 gross ($662,779,200 net), exclusive of budgeted voluntary contributions in kind amounting to $1,350,133. The proposed budget is based on the current strength of a force of 17,500 military personnel, including 260 military observers as authorized by the Security Council in its resolution 1346 (2001) of 30 March 2001. The proposed staffing table provides also for 60 civilian police advisers, 381 international and 611 local staff, as well as 168 United Nations Volunteers. Compared with the current financial period, the proposed staffing table reflects an increase of one post in the category of international staff for a Chief Resident Auditor at the P-5 level.

18. As indicated in the proposed budget (ibid., para. 2 and table 1), the estimated requirements for the period from 1 July 2002 to 30 June 2003 represent a 3.3 per cent decrease in total resources (gross) in relation to the apportionment for the 2001/02 financial period.

19. The Advisory Committee notes from the proposed budget report (ibid., annex I.C) that the proposed estimates for UNAMSIL reflect primarily the following deployment assumptions:

(a) Under military contingents and military observers — the full deployment of 17,500 personnel, including 260 military observers throughout the 2002/03 financial period;

(b) Under civilian police — the deployment of 60 police advisers throughout the 12-month period and the application of a 5 per cent delayed deployment factor in the calculation of mission subsistence allowance for the period;

(c) Under international and local staff — the application of salary scales for appointments of limited duration for 70 per cent of posts in the category of international staff, a 50 per cent reduction to standard common staff costs in respect of mission appointees and the application of a 10 per cent vacancy rate;

(d) Under United Nations Volunteers, the full deployment throughout the financial period.

20. **The Advisory Committee is of the view that, taking into account the actual incumbency situation during the previous financial period, as well as the situation as at 15 February 2002 (see para. 16 above), the assumption of full deployment of United Nations Volunteers, the assumption of a 5 per cent delayed factor for civilian police and the assumption of 10 per cent vacancy factors for international and local staff appear to be overly optimistic.**

21. Under the terms of Security Council resolutions 1270 (1999) and 1389 (2002), UNAMSIL is entrusted with a number of tasks related to the elections in Sierra Leone, which are scheduled to take place on 14 May 2002. The latest information on the United Nations support for the election is contained in the Secretary-General's report to the Security Council of 14 March 2002 (S/2002/267). The Committee notes from

paragraph 71 of that report that should the security situation in Sierra Leone continue to improve after the elections, adjustments will need to be made to the current strength, composition and deployment of UNAMSIL troops. **The Committee trusts, in this connection, that possible adjustments would also be considered in respect of other components of the Mission for which a preliminary planning for downsizing should be undertaken.**

22. Part IX A of the proposed budget deals with objective-setting in accordance with General Assembly resolution 55/220 C of 14 June 2001. **The Committee points out that the General Assembly requested that the Secretary-General ensure, inter alia, that the development and attainment of objectives are reported on through the financial performance reports of the missions. The comments of the Committee on this are included in its general report on peacekeeping operations.**

Military personnel costs

23. The estimated requirements of $488.7 million under military personnel costs for the financial period from 1 July 2002 to 30 June 2003 are based on an authorized strength of 17,500 military personnel, including 260 military observers. As indicated in paragraph 4 of annex I.C to the report on the proposed budget, the estimates for reimbursement of troop contributors for troop costs are based on the new standard rates effective 1 January 2002, as approved by the General Assembly in its resolution 55/274 of 14 June 2001. The Advisory Committee notes from paragraph 23 of the proposed budget that mission factors are applied to the monthly reimbursable rates to compensate the troop-contributing countries for extreme environmental conditions, intensified operational conditions, hostile action/forced abandonment and incremental transportation. The Committee was informed in the course of its deliberation that operational conditions in the Mission area had started changing for the better. **It is the view of the Committee that, should the trend continue, the applicability of mission factors by UNAMSIL needs to be reviewed and the results of the review to be reflected in the next budget submission.**

24. The Advisory Committee notes that, following the installation of water purification systems supplying the Mission with clean drinking water, no provision is submitted for bottled water. The Committee also observes that no provision is made for mission subsistence allowance for force headquarters staff officers since they are now provided with accommodation and catering services by UNAMSIL. As indicated in annex II.A of the proposed budget, the daily rate of mission subsistence allowance amounts to $105, effective 1 February 2002, compared with the previous level of $135.

25. Total estimated requirements of $158.2 million are proposed under contingent-owned equipment for the reimbursement of troop-contributing countries for major equipment they provide to their respective contingents serving at UNAMSIL ($74.8 million) and under self-sustainment ($83.4 million).

26. The Advisory Committee recalls its previous comment on the slow pace of processing claims for contingent-owned equipment and its observation that adequate capacity could be lacking in the verifications process in the field and in processing of claims at Headquarters (see A/56/621, para. 17). It should also be noted that the Board of Auditors observed that at UNAMSIL some certified claims remained unpaid for a period of 12 months (see A/56/5 (vol. II), para. 81). As indicated in annex IV to the proposed budget, a number of measures are being taken in response to the Committee's comments on processing of contingent-owned equipment reimbursement at the Mission.

27. **The Advisory Committee welcomes the fact that the number of signed memorandums of understanding increased from 20 to 43 between 15 October 2001 and 26 February 2002 and that the number of finalized memorandums of understanding pending signature by troop-contributing countries increased from 8 to 22 over the same period. At the same time, the Committee is of the view that troop-contributing countries should bring "special case" major equipment (for which there are no standard reimbursement rates) to peacekeeping operations only after a formal agreement with the United Nations. The Committee requests that the necessary measures be taken in order to limit to the extent possible the use of "special case" major equipment in peacekeeping operations.**

Civilian personnel costs

28. The estimated requirements of $56,994,600 under civilian personnel, which represent a 3.1 per cent

increase compared with the apportionment for the 2001/02 financial period, would provide for 60 civilian police, 381 international staff (169 Professional, 49 General Service, 127 Field Service and 36 Security Service), 611 local staff and 168 United Nations Volunteers. The proposed staffing reflects an increase of 1 P-5 post for a Chief Resident Auditor.

29. Information in support of the proposed establishment of the post for a Chief Resident Auditor is contained in the proposed budget (A/56/855, para. 26). The Advisory Committee notes also that, in accordance with the agreed OIOS formula, which links the number of resident auditors to the size of a mission's annual budget, the structure of audit service at UNAMSIL would consist of 1P-5, 3P-4/P-3 and 1 G-7/G-6 (see A/56/5 (vol. II) para. 93). The Committee was informed that the audit functions at UNAMSIL are currently carried out by two Resident Auditors at the P-4 level assisted by one General Service and one Local level staff. **The Advisory Committee recommends the establishment of a P-5 post for a Chief Resident Auditor.**

30. **The Advisory Committee welcomes the fact that, in response to its request, an analysis of staffing requirements for the Electronic Support Services Section has been undertaken (see A/56/855, para. 28, and annex IV). The Mission has indicated that the eight additional posts authorized for the 2000/01 financial period would enable the Mission to strengthen the communications and information technology units of the Electronic Support Services Section and that any additional requirements that may arise to strengthen this section would be accommodated through the utilization of vacant posts. In view of the possible downsizing (see para. 21 above) this should not pose a problem.**

31. The Advisory Committee also notes from the proposed budget document (A/56/855, annex IV) that, in response to the Committee's request that urgent consideration be given to delegating authority to missions for the more routine and time-consuming activities currently being carried out at Headquarters, the Controller has delegated authority to field missions to pay hazard allowance. **The Committee requests that further efforts be made to explore additional opportunities for delegation of authority.**

Operational requirements

32. A significant decrease ($25.1 million) in operational requirements, compared with the apportionment for the financial period 2001/02 is primarily due to reduced estimates under premises/ accommodations ($16 million), transport operations ($1.3 million), communications ($4.7 million), other equipment ($7.7 million), supplies and services ($0.7 million) and air and surface freight ($2.6 million), which are partially offset by an increase of $7.8 million under air operations.

33. **The Advisory Committee observes that the budget proposal does not contain an adequate explanation for increases or decreases in operational requirements**. For example, while the requirements for air operations reflect an increase of $7.8 million, the submission does not state the main reasons for the increase. Similarly, no explanation is given for the changes in cost parameters (see A/56/855, annex II) that have both positive and negative impact on resource requirements for air operations: for instance it is not clear as to why the rental cost of block hours for "Puma" and "Bell-206" helicopters has increased from $120,833 to $189,250 and from $32,000 to $88,750, respectively, compared with the previous submission; no explanation is given as to why the cost of ground handling has increased from $153,433 to $212,500 or why the cost of air traffic control services has decreased from $7,500 to $5,000; and it is not clear why the monthly cost of fuel for the executive jet has increased from $3,740 to $16,830. **The Advisory Committee recommends that major factors that affect a significant change (10 per cent and more) in resource requirements be fully explained and justified in detail in budget submissions for peacekeeping operations and reported precisely in the relevant performance report.**

34. The Advisory Committee sought additional information on the planned utilization of flight hours for air operations at UNAMSIL for the period from 1 July 2002 to 30 June 2003, which is reproduced in annex I below. As indicated therein, the total annual flying hours of the executive jet is projected at 510 hours at a cost of $1,878,000. The Committee was informed that, for the period from 28 July 2001 to 28 February 2002, the executive jet was used in 46 flights for a total of 167 flying hours. The Committee will

examine the issue of the acquisition and use of air assets in all peacekeeping operations in its general report. **Meanwhile, the Committee once again requests the Secretary-General to reassess the composition of the air assets maintained by UNAMSIL with a view to achieving optimum efficiency.**

35. The Committee notes that no provision is made for the acquisition and rental of vehicles for the Mission and that its fleet of vehicles will remain at the current level of 890 United Nations-owned vehicles and 2,745 contingent-owned vehicles (A/56/855, annex II). The Committee recalls that it commented in its previous report on UNAMSIL (A/56/621, para. 52) on the issue of ratios used in peacekeeping operations, including the ratio of vehicles to international staff. **The Committee observes that information on the fleet of vehicles of UNAMSIL contained in the proposed budget does not allow a clear understanding of whether the number of vehicles in use at the Mission is in line with the standard ratios. The Committee requests, therefore, that such information be included in the next proposed budget for UNAMSIL. The Committee welcomes the positive results experienced with regard to centralized car dispatching and its effect on the efficient use of vehicles and the reduction in accidents.**

36. The Advisory Committee enquired into the use of the Carlog system at UNAMSIL and was informed that the system was not found to be cost-effective for the use at UNAMSIL and that, accordingly, the Mission does not use it. **The Committee trusts that experience of UNAMSIL and "lessons learned" by it in operating a large fleet of vehicles without resorting to the use of the Carlog system would be shared with other peacekeeping operations (see also the A/56/5 (vol. II)).**

37. In the course of its deliberations, the Advisory Committee was informed that staff involved in the implementation of the Geographic Information System (GIS) pilot project had, after considerable delay, just started to arrive at the Mission area. **In view of possible adjustments in the components of the Mission referred to in paragraph 21 above, the Committee trusts that full account will be taken of such adjustments in implementing the GIS project at UNAMSIL.** The Committee was provided with information on the status of the GIS pilot project, which is reproduced as annex II to the present report.

38. **Taking into account its comments and observations in the above paragraphs, the Advisory Committee recommends that the General Assembly approve the appropriation of $669,476,400 gross for the maintenance of UNAMSIL for the period from 1 July 2002 to 30 June 2003 and assess the amount of $502,107,300 for the period 1 July 2002 to 31 March 2003 at a monthly rate of $41,842,275, should the Security Council decide to continue the mandate of UNAMSIL.**

39. **The Advisory Committee further recommends that the question of the balance of the assessment of $167,369,100 be considered in connection with possible adjustments to the Mission's components referred to in paragraph 21 above.**

Annex I

United Nations Mission in Sierra Leone

A. Financial resources for hire/charter costs for air operations for the period from 1 July 2002 to 30 June 2003

(United States dollars)

Description	(1) Number of units	(2) Number of months	(3)=(1)x(2) Helicopter months	(4) Number of monthly block hours	(5) Number of monthly extra flying	(6) Monthly unit cost for block hours	(7) Monthly unit cost for extra flying hours	(8) Monthly unit cost for meals and lodging	(9)=(6)+(7)+(8) Total monthly unit cost	(10)=(1)x(9) Total monthly cost	(11)=(3)x(9) Total annual cost
I. Helicopter operations											
(a) Commercial contracts											
MI-8	2	12	24	40	45	57 960	-	4 500	62 460	124 920	1 499 040
MI-8 (MTV)	2	12	24	45	40	141 500	-	-	141 500	283 000	3 396 000
MI-8 (MTV)	2	12	24	45	40	164 833	8 000	2 500	175 333	350 666	4 207 992
MI-8 (MTV)	2	12	24	45	40	170 833	-	-	170 833	341 666	4 099 992
MI-26	2	12	24	60	40	488 333	-	-	488 333	976 666	11 719 992
MI-26	2	12	24	45	45	466 667	-	-	466 667	933 334	11 200 008
Subtotal	**12**									**3 010 252**	**36 123 024**
(b) Letter of assist arrangements											
Medium-utility, military (Puma)	3	12	36	50	-	189 250	-	-	189 250	567 750	6 813 000
Light-utility, military (Bell-206)	3	12	36	50	-	88 750	-	-	88 750	266 250	3 195 000
Medium-utility, military (MI-8MT)	4	12	48	40	-	64 000	-	-	64 000	256 000	3 072 000
Medium, armed military (MI-24)	4	12	48	60	-	144 000	-	-	144 000	576 000	6 912 000
Medium, armed military (Cobra)	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**14**									**1 666 000**	**19 992 000**
Total	**26**									**4 676 252**	**56 115 024**
II. Fixed-wing aircraft											
Executive jet	1	12	12	30	25	90 000	62 500	4 000	156 500	156 500	1 878 000
IL-76	1	12	12	49	-	73 500	-	8 000	81 500	81 500	978 000
Total	**2**									**238 000**	**2 856 000**

B. Planned utilization of flight hours for air operations for the period from 1 July 2002 to 30 June 2003

Description	(1) Number of units	(2) Number of months	(3)=(1)x(2) Helicopter months	(4) Number of monthly block hours	(5) Number of monthly extra flying[a]	(6)=(4)+(5) Monthly flying hours per unit	(7)=(1)x(6) Total monthly flying hours	(8)=(2)x(7) Total annual flying hours
I. Helicopter operations								
(a) Commercial contracts								
MI-8	2	12	24	40	22.5	62.5	125.0	1 500
MI-8 (MTV)	2	12	24	45	20.0	65.0	130.0	1 560
MI-8 (MTV)	2	12	24	45	20.0	65.0	130.0	1 560
MI-8 (MTV)	2	12	24	45	20.0	65.0	130.0	1 560
MI-26	2	12	24	60	20.0	80.0	160.0	1 920
MI-26	2	12	24	45	22.5	67.5	135.0	1 620
Subtotal	**12**							**9 720**
(b) Letter-of-assist arrangements								
Medium-utility, military (Puma)	3	12	36	50	-	50.0	150.0	1 800
Light-utility, military (Bell-206)	3	12	36	50	-	50.0	150.0	1 800
Medium-utility, military (MI-8MT)	4	12	48	40	-	40.0	160.0	1 920
Medium, armed military (MI-24)	4	12	48	60	-	60.0	240.0	2 880
Medium, armed military (Cobra)	-	-	-	-	-	-	-	-
Subtotal	**14**							**8 400**
Total	**26**							**18 120**
II. Fixed-wing aircraft								
Executive jet	1	12	12	30	12.5	42.5	42.5	510
IL-76	1	12	12	49	-	49.0	49.0	588
Total	**2**							**1 098**

[a] Reflects the reduction of 50 per cent in utilization of extra flight hours.

Annex II

Status of implementation of Geographic Information System pilot project

1. Current Status of Implementation

The implementation of the Geographic Information System (GIS) pilot project at three Missions (UNAMSIL, the United Nations Organization Mission in the Democratic Republic of the Congo and the United Nations Mission in Ethiopia and Eritrea) and at the Department of Peacekeeping Operations is still under development and will be completed by the end of 2002, subject to staff recruitment scheduling as follows:

Phase	*Preliminary*	*Installation*	*Testing*	*Operation*
Month	*January-March*	*March-May*	*May-June*	*July-December*
Objective and activities	Staff deployment	Layout design	Testing and debugging	Full scale operation
	Training and workshop	System installation	System installation in sectors, team sites	UNAMSIL: Sep-Oct
	Team building	Standard template	Terrain (GI) analysis	MONUC: Aug-Sep
	Promote GIS	Training	Data communication	UNMEE: Jul-Aug
	Coordination		QA/QC	DPKO: Nov-Dec
	Develop working group			
Staff[a] DPKO	1+0+0+0=1	1+0+0+0=1	1+0+0+0=1	1+0+2+0=3
Staff[a] UNAMSIL	3+0+0+0=3	3+1+1+4=9	3+2+2+5=12	5+3+2+5=15
Staff[a] MONUC	3+2+0+0=5	5+2+1+4=12	5+2+2+4=13	5+3+2+4=14
Staff[a] UNMEE	3+6+0+0=9	6+6+1+0=14	6+6+2+0=14	6+6+3+0=15
GIS operational level	30%	50%	70%	100%

[a] Staff: Civilian staff + Military staff + Contract staff + Local staff.

However, compared with the initial plan, the overall implementation progress of the GIS pilot project has been delayed for the following reasons:

(a) Budget approval

The UNAMSIL GIS budget was approved during the 2000/01 financial period, while the GIS budgets for MONUC and UNMEE were approved during the 2001/02 financial period.

(b) Procurement and shipping delay.

Since the GIS system was new to the organization the overall procurement process has been delayed.

(c) For staff (Civilian and Military) recruitment, please see the summary of the attached GIS staff.

2. Staffing

A summary chart of the GIS staff, including contract staff, is enclosed (see appendix 1). The chiefs of the GeoCell Unit for UNAMSIL, MONUC and UNMEE were recruited on 20 January 2001 and took a special GIS pre-deployment training programme (see appendix 2) for 10 days at UNMEE headquarters (20-31 January 2002).

(a) Department of Peacekeeping Operations

A GIS officer (P-4) was recruited and posted October 2001 in DPKO Engineering Section. GIS posts (P-3 and GS level) requested by DPKO were not approved by the Advisory Committee on Administrative and Budgetary Questions and therefore, only one GIS officer is currently administering the GIS pilot project. Consequently, the implementation of GIS pilot project in the missions and at the Department of Peacekeeping Operations has been delayed.

(b) UNAMSIL

Two GIS engineers (FS level) and 3 GIS assistants (United Nations Volunteers level) have been requested, but not budgeted for due to late submission and a misunderstanding of the requirements. Recruitment of 5 local staff has not yet been requested.

No Military GIS staff has yet been posted in UNAMSIL. As an interim measure, one Military Information Officer will take up temporary duty.

(c) MONUC

Two GIS Engineers (FS level) have been selected and will be on board by the end of March 2002. Recruitment of 2 United Nations Volunteers and 4 local staff has been requested and that staff will be on board around April 2002.

Two military GIS officers (out of a proposed requirement of six) are on board.

(d) UNMEE

One GIS Engineer (FS level, but appointed at P-2 level) is already on board (the end of February 2002), and the other GIS engineer (FS level) is selected and will be on board by the middle of March 2002.

Since the data processed under this project (temporary security zone, boundary, location of host nation's troops, peacekeeping forces, military operations and situation monitoring, etc.) involve highly sensitive military and national security issues, local staff are not considered suitable for manning these posts (this issue is also being reviewed and considered for the other missions as well). Therefore, two (2) contractual staff have been budgeted for: they are not yet on board due to delay of GIS implementation.

Recruitment of 3 United Nations Volunteers has been requested and the recruited staff will be on board around April 2002.

Four military GIS officers, one Warrant Officer and one non-commissioned officer are on board.

Appendix I

Staffing for the GIS pilot project of the Department of Peacekeeping Operations

	Post	Level	Required					Approved/budgeted					Recruited (on board/process)					Remarks
			DPKO	MONUC	UNAMSIL	UNMEE	Total	DPKO	MONUC	UNAMSIL	UNMEE	Total	DPKO	MONUC	UNAMSIL	UNMEE	Total	
Civilian	Chief	P-4	1				1	1				1	1				1	
		P-3		1	1	1	3		1	1	1	3		1	1	1	3	
	Topographical/ GIS officer	P-3	1				1					0					0	
		P-2	1	1	1	1	4					0				1	1	
	GIS engineer	FS		1	2	1	4		2		2	4		2	2	1	5	1 under recruitment
		GS	2				2					0					0	
	GIS system and database engineer	P-2	1				1					0					0	
		FS		1	1	1	3					0					0	
	GIS assistant	UNV		4	5	3	12		4		3	7		2		3	5	Request to recruit
		Intern	1				1					0					0	
		LS		4	5	4	13		4	5		9		4			4	Request to recruit
	Subtotal		**7**	**12**	**15**	**11**	**45**	**1**	**11**	**6**	**6**	**24**	**1**	**9**	**3**	**6**	**19**	
Military	Chief (Military)	LTC			1		1			1		1		1			1	
		MAJ		1		1	2		1		1	2				1	1	
	Topographical/ GIS officer	MAJ	1		1		2			1		1		1			1	
		CPT	1	1		2	4		1	1	2	4				2	2	
		WO		1	2	1	4		1	1		2				1	1	
	GIS assistant	NCO		2	2	1	5		2	2	1	5				1	1	
	GPS/Surveyor	CPT					0					0				1	1	
		WO				1	1				1	1					0	
		NCO		1	1	1	3		1	1	1	3					0	
	Subtotal		**2**	**6**	**7**	**7**	**22**	**0**	**6**	**7**	**6**	**19**	**0**	**2**	**0**	**6**	**8**	

	Post	Level	Required					Approved/budgeted					Recruited (on board/process)					Remarks
			DPKO	MONUC	UNAMSIL	UNMEE	Total	DPKO	MONUC	UNAMSIL	UNMEE	Total	DPKO	MONUC	UNAMSIL	UNMEE	Total	
Contractors (man-month)	GIS engineer		1	2	1	1	5		1	1	12	14					0	Contractor replace LS
	GIS assistant			2	1	1	4			1	12	13					0	Contractor replace LS
	Remote sensing engineer			1	1	1	3		1		1	2					0	
	Remote sensing assistant			2	1	1	4				1	1					0	
	GPS/surveyor			1	1	2	4					0					0	
	Database engineer		1	1	1	1	4					0					0	
	Web technician		1	1	1	1	4					0					0	
	System engineer		1	1	1	1	4					0					0	
	Subtotal		**4**	**11**	**8**	**9**	**32**	**0**	**2**	**2**	**26**	**30**	**0**	**0**	**0**	**0**	**0**	
	Total		**13**	**29**	**30**	**27**	**99**	**1**	**19**	**15**	**38**	**73**	**1**	**11**	**3**	**12**	**27**	

Note: 1. Engineering Section/DPKO is responsible for implementing the GIS pilot project at three missions and at DPKO.
2. MONUC has indicated that larger scale operation maps are not available. Therefore, it should be developed in DPKO/MONUC.
3. UNAMSIL has to provide support GIS and related information to 16,000 peacekeeping troops in five sectors.
4. At UNMEE the GeoCell Unit will be faced with GIS work for the Boundary Commission and related requirements.
5. UNMEE: Due to indication by Mission not to release data to local staff, local staff requirement has been replaced by civilian contract staff.
6. Numbers in shadow indicate recruitment in progress.

Appendix 2

Geographic Information System training programme for chiefs of GeoCell Units (MONUC, UNAMSIL and UNMEE)

1. Purpose

Pre-deployment training and education for newly recruited chiefs of GeoCell Units (MONUC, UNAMSIL and UNMEE) on the DPKO GIS pilot project for the peacekeeping missions.

2. Objective

To provide training for new staff for application of the Geographic Information System (GIS) in peacekeeping operations.

The aim is to:

- Provide training for United Nations peacekeeping operations
- Provide full training on the GIS pilot project for missions
- Understanding the GIS operational and systems architecture
- Develop a detailed implementation plan for GIS in missions

3. General plan

(a) Instructor: Kyoung-Soo Eom, Department of Peacekeeping Operations, GIS Officer

(b) Trainees: 4 persons (Chief, GeoCell Unit)

Mr. Mario Beauchesne (MONUC)
Mr. Dong Joo Koh (UNAMSIL)
Mr. Francisco Jose Igualadu-Delgado (UNMEE)
Major Ghishan Osama (UNMEE, Military GeoCell Unit)

(c) Location: UNMEE headquarters, Asmara

(d) Proposed itinerary (10 days):

- 20/01/02 (Sun.): Arrive at Asmara, UNMEE (midnight)
- 21/01/02 (Mon.): Induction provided by UNMEE (for new staff)
  Final preparation for training programme with DPKO staff
  United Nations peacekeeping operations and the GIS pilot project
- 22/01/02 (Tues.): Concept of GIS operations in peacekeeping operations
  Requirement analysis and available resources
- 23/01/02 (Wed.): GIS operational architecture
  Special session with Chief Administrative Officer/Chief, Integrated Support Services

– 24/01/02 (Thurs.):	GIS systems architecture Special session with Chief of Staff/G2/G3 (Force view) Attend situation briefing and meeting
– 25/01/02 (Fri.):	GIS base map and its database structure Planning, budgeting and management
– 26/01/02 (Sat.):	Start-up procedures and geo-information management
– 27/01/02 (Sun.):	Develop a detailed implementation plan for the Mission
– 28/01/02 (Mon.):	Development of the plan (*continued*)
– 29/01/02 (Tues.):	Finalize the plan and after action review with UNMEE staff
– 30/01/02 (Wed.):	Start up for establishing the UNMEE GeoCell Unit
– 31/01/02 (Thurs.):	Departure for each Mission (MONUC and UNAMSIL staff)

(e) Requirement for training — to be provided by UNMEE:

- Training space and furniture (tables and chairs) for 4 trainees and 1 instructor
- Desktop PC (4) — LAN networked and one wireless PCMCI card for a notebook PC
- PC beam projector, black/white board
- Conference table (if available)
- Copier and printer
- GIS software, data and Notebook PC (to be provided by DPKO)
- Incoming staff's induction programme (1-2 hours)
- Meeting arrangement with Chief Administrative Office; Chief, Integrated Support Services; Chief Engineer; Chief Engineer/Data Processing; Chief Communications Engineer
- Meeting arrangement with Chief of Staff, G2, G3, G4
- Accommodation arrangements
- Local transportation
- Minor logistics and administration support

4. Coordination and logistics support

(a)	Personnel Management and Support Service:	Recruitment and appointment for new staff, travel, etc.
(b)	Logistics and Communications Service:	Sharing the concept of training and GIS operations
(c)	Missions:	Inform the training programme, date of arrival, coordination with CISS, etc. for new staff for UNAMSIL and MONUC

(d)	Office for the Coordination of Humanitarian Affairs:	Coordination for new relationship with Humanitarian Information Centre in the mission area
(e)	Department of Political Affairs:	Inform
(f)	Department of Public Information:	Inform (for United Nations Geographic Information Working Group and the secretariat of the Eritrea-Ethiopia Boundary Commission)

5. Further actions

(a) Detail planning for the training programme

(b) Detail curriculum and training material

(c) Further coordination, if necessary

(d) Others (administration, travel arrangements, etc.)

Appendix 3

GIS cost estimates vs. expenditure (1 July 2002-30 June 2003)

(United States dollars)

	Budget estimated				*Expenditure*				
Descriptions	*UNAMSIL*	*MONUC*	*UNMEE*	*Total*	*UNAMSIL*	*MONUC*	*UNMEE*	*Total*	*Remarks*
Total	**256 400**	**324 400**	**540 500**	**1 157 300**	-	-	-	-	
(a) Other equipment	**34 500**	**34 500**	**34 500**	**139 500**	-	-	-	-	
1. GIS system package for newly established GeoCell Unit									
a. GIS System (hardware)	24 150	24 150	24 150	72 450				-	
b. GIS System (software)	10 350	10 350	10 350	31 050				-	
c. Maintenance and technical support	12 000	12 000	12 000	36 000					
(b) Miscellaneous services	**127 000**	**177 000**	**385 000**	**689 000**	-	-	-	-	
1. GIS technical support service (for 1 month each for 2 persons)	27 000	27 000	27 000	81 000				-	
2. GIS contract staff			228 000	228 000				-	
3. GIS data (digital map) development service									
a. Digital vector map development for 1:200,000 or 250,000 scale	100 000	150 000	100 000	350 000				-	
b. Landsat satellite maps (1:100,000 scale) for ground operations			30 000	30 000				-	
(c) Miscellaneous supplies	**55 000**	**72 500**	**55 000**	**182 500**	-	-	-	-	
1. GIS supplies									
a. Plotter and colour LaserJet supplies	15 000	15 000	15 000	45 000				-	
b. Storage supplies (CD-ROM, diskettes, etc.)	5 000	5 000	5 000	15 000				-	
2. Digital maps (under operational map)									
a. IKONOS Satellite Imagery (colour 1 meter resolution satellite map 10 x 10 km)	35 000	52 500	35 000	122 500				-	
b. IRS satellite imagery				-				-	
(d) Travel requirements	**14 700**	**14 700**	**15 000**	**44 400**	-	-	-	-	
1. FALD GIS officer (2 GIS officers x 3 weeks)	7 500	7 500	8 800	23 800				-	
2. MONUC GIS officers (2 GIS officers x 1 week)	7 200	7 200	6 200	20 600				-	

Descriptions	Budget estimated UNAMSIL	MONUC	UNMEE	Total	Expenditure UNAMSIL	MONUC	UNMEE	Total	Remarks
(e) Training requirements	**25 200**	**25 700**	**51 000**	**101 900**	**-**	**-**	**-**	**-**	
1. On site GIS training for MONUC staff (up to 12 staff per class)	25 200	25 700	51 000	101 900				-	
2. On site GIS training for DPKO/UNHQ staff (up to 12 staff per class)				-				-	
3. Training workbooks and other materials				-				-	

GIS cost estimates vs. expenditure (1 July 2000-30 June 2001)

(United States dollars)

Descriptions	Budget estimated UNAMSIL	MONUC	UNMEE	Total	Expenditure as at June 2001 UNAMSIL	MONUC	UNMEE	Total	Remarks
Total	**267 000**	**20 000**	**-**	**287 000**	**147 980**	**10 000**	**-**	**157 980**	
(a) Other equipment	**161 600**	**-**	**-**	**161 600**	**147 980**	**-**	**-**	**147 980**	
1. GIS system package for newly established GeoCell Unit									
a. GIS System (hardware)	107 600			107 600	126 980			126 980	
b. GIS System (software)	54 000			54 000	21 000			21 000	
c. Maintenance and technical support									
(b) Miscellaneous services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. GIS technical support service (for 1 month each for 2 persons)				-				-	
2. GIS contract staff				-				-	
3. GIS data (digital map) development service									
a. Digital vector map development for 1:200,000 or 250,000 scale				-				-	
b. Landsat satellite maps (1:100,000 scale) for ground operations				-				-	
(c) Miscellaneous supplies	**105 400**	**20 000**	**-**	**125 400**	**-**	**10 000**	**-**	**10 000**	
1. GIS supplies									
a. Plotter and colour LaserJet supplies	8 400			8 400				-	
b. Storage supplies (CD-ROM, diskettes, etc.)	2 500			2 500				-	

Descriptions	*Budget estimated*				*Expenditure as at June 2001*				*Remarks*
	UNAMSIL	*MONUC*	*UNMEE*	*Total*	*UNAMSIL*	*MONUC*	*UNMEE*	*Total*	
2. Digital maps (under operational map)									
a. IKONOS Satellite Imagery (colour 1 meter resolution Satellite Map 10 x 10 km)	94 500	20 000		114 500		10 000		10 000	
b. IRS satellite imagery				-				-	
(d) Travel requirements	-	-	-	-	-	-	-	-	
1. FALD GIS officer (2 GIS officers x 3 weeks)	-	-	-	-	-	-	-	-	
2. MONUC GIS officers (2 GIS officers x 1 week)				-				-	
(e) Training requirements	-	-	-	-	-	-	-	-	
1. On site GIS training for MONUC staff (up to 12 staff per class)				-				-	
2. On site GIS training for DPKO/UNHQ staff (up to 12 staff per class)				-				-	
3. Training workbooks and other materials				-				-	

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Peacekeeping Force in Cyprus

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Peacekeeping Force in Cyprus

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 2000 to 30 June 2001 (A/56/782) and on the proposed budget for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/838). During its consideration of the reports, the Committee met with representatives of the Secretary-General who provided additional information.

2. UNFICYP was established by the Security Council in its resolution 186 (1964) of 4 March 1964. From its inception until 15 June 1993, the costs of the Force were met by the Governments providing contingents, by the Government of Cyprus and by voluntary contributions to UNFICYP In accordance with General Assembly resolution 47/236 of 14 September 1993, the costs of the Force since 16 June 1993 that were not covered by voluntary contributions have been assessed on Member States. Voluntary contributions equal to one third of the annual cost of UNFICYP have been made on a continuing basis by the Government of Cyprus, while the Government of Greece has been making annual contributions of $6.5 million.

Financial performance for the period from 1 July 2000 to 30 June 2001

3. The amount approved by the General Assembly in its resolution 54/270 of 15 June 2000 for the maintenance of UNFICYP for the period from 1 July 2000 to 30 June 2001 was $43,422,065 gross ($41,404,128 net), including the portion to be met through voluntary contributions from the Governments of Cyprus and Greece as well as $2,060,180 gross ($1,743,344 net) for the support account for peacekeeping operations and the amount of $322,085 gross ($286,584 net) for the United Nations Logistics Base at Brindisi, Italy. Expenditure amounted to $42,360,400 gross ($40,445,800 net), resulting in an encumbered balance of $1,061,700 gross ($958,400 net), or approximately 2.5 per cent of the amount appropriated. The Committee questions the

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appropriateness of including the amounts for the support account and the Logistics Base when calculating the percentage of unencumbered balance in financial performance reports as against appropriation. The Committee has commented on this issue in its general report on peacekeeping operations (A/56/887). The unencumbered balance arose mainly under military contingents, civilian police, international and local staff, communications and commercial freight and cartage; this was partially offset by overexpenditure on premises/accommodation, air operations, other equipment, supplies and services and training programmes.

4. **The Advisory Committee is of the opinion that the overexpenditure on a number of items shown in annex II to the report of the Secretary-General on the financial performance (A/56/782), such as additional data equipment, observation equipment and Carlog devices, could have been foreseen when the budget was proposed. The Committee trusts that improvements in planning will lead to more effective budgetary control. With regard to Carlog devices, future purchases should be weighed against their cost-effectiveness.**

5. Paragraphs 7 to 10 of the report of the Secretary-General cover initiatives taken to ensure that the mission is managed with a maximum of economy and efficiency. These include the outsourcing of janitorial and catering services; local arrangements for the commercial travel of military and civilian police personnel; open-ended contracts for the procurement of equipment, and for the purchase of various supplies and office furniture; improved management of the rations supply system and more favourable prices obtained for fresh rations as a result of competitive bidding. Upon enquiry, the Advisory Committee was informed that open-ended contracts are similar to Headquarters systems contracts, in that they allow the mission to procure up to a certain quantity at a fixed price over a set period of time.

6. The Advisory Committee was informed that, as a result of the outsourcing of janitorial and catering services, there was a reduction of a total of 110 local level posts and a savings of $890,500 for the period from April 1999 to April 2001. The Committee was also informed that, in order to maximize control and oversight, services have been contracted to a number of local contractors: under support services, there are 28 local contractors, providing catering services (3), janitorial and conservancy services (6), maintenance of various equipment (14), printing services (2), photographic services (1) and maintenance of roads and airfield (2). Under transport operations, there are 22 local contractors, providing rental services (3), repair and maintenance services (17), insurance services (1) and transport of engineering equipment (1). Under general services, there are 11 local contractors, providing courier services (1), laundry services (1), tailoring services (1), haircutting services (6) and customs clearance and commercial freight services (2). **The Committee welcomes this approach.**

7. On training, the Advisory Committee notes from the table in paragraph 43 of annex II to document A/56/782 and paragraph 32 of annex I.C to document A/56/838 that 39 staff of the mission were trained in the period from 1 July 2000 to 30 June 2001 and that 63 are projected for training during the period from 1 July 2002 to 30 June 2003. Upon enquiry, the Committee was informed that, in the period from 1 July 2001 to 30 June 2002, 19 are to receive training. The Committee was also informed that, of the 39 staff trained for the period from 1 July 2000 to 30 June 2001, 37 are still on board. **In this connection, the Advisory Committee recalls and reiterates its view (see A/55/874, para. 57) that there should be better planning for training of personnel in the mission area and its request that, in future, the subjects covered in the training programmes and their costs be more clearly stated in the performance and budget reports. The Committee also believes that training should be tailored towards fulfilling the mandate of the mission.**

8. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 14 of the performance report (A/56/782). **The Advisory Committee recommends that the unencumbered balance of $1,061,700 gross ($958,400 net) for the period from 1 July 2000 to 30 June 2001, as well as the interest and other income in the amount of $1,680,000, be credited to Member States in a manner to be decided by the General Assembly.**

Information on performance for the current period

9. The Advisory Committee was informed that, as at 20 February 2001, the amount of $129 million was reimbursed for troop costs for the period from 16 June 1993 to 31 October 2001 and the amount owed for the period from 1 November 2001 to 31 January 2002 was $4.7 million.

10. The Advisory Committee was informed that $7 million was reimbursed for contingent-owned equipment for the period ending 30 June 2002; the estimated amount owed was $8.5 million and unliquidated obligations for contingent-owned equipment for the period up to 31 January 2002 amounted to $4.9 million. As regards death and disability, for the period ending 30 June 2002, six claims have been settled, amounting to $1.2 million; the balance of obligations, for the period up to 31 January 2002, amounts to $0.5 million and one claim remains to be settled.

11. The Advisory Committee was informed that, as at 31 December 2001, the cash position amounted to $17.3 million. Assessments on Member States for the period from 16 June 1993 to 15 June 2002 amounted to $200.8 million, payments received totalled $176.9 million and the amount outstanding was $23.9 million as at 31 January 2002. Total unliquidated obligations for the period from 1 July 2000 to 30 June 2001 were $1.3 million for Governments and $307,100 for others, as at 15 February 2002.

12. With regard to staff resources, the Advisory Committee was informed that, as at 31 January 2002, 1,198 military contingent personnel were on board out of 1,230 authorized, 35 civilian police of 35 authorized, 41 international staff of 44 authorized and 102 local staff of 147 authorized.

Cost estimates for the period from 1 July 2002 to 30 June 2003

13. As indicated in paragraph 1 of the report of the Secretary-General on the proposed budget for the maintenance of the Force for the period from 1 July 2002 to 30 June 2003 (A/56/838), an amount of $44,973,900 gross ($43,337,700 net), inclusive of budgeted voluntary contributions in kind amounting to $1,321,200 has been requested. This represents a 6.1 per cent increase ($2,578,800) in gross terms in relation to the apportionment for the current period, from 1 July 2001 to 30 June 2002. The proposed budget reflects an increase of 3 per cent in military personnel costs, 25.4 per cent in operational costs, 54.9 per cent in other programmes and 7.2 per cent in staff assessment, partially offset by a decrease of 3.7 per cent in civilian personnel costs.

14. The proposed staffing of the mission comprises 35 civilian police, 44 international staff and 105 local staff. This reflects a net decrease of 42 local staff posts resulting from the outsourcing of the catering service.

15. The Advisory Committee notes from paragraphs 2 and 9 of annex I.C to the report of the Secretary-General (A/56/838) that, drawing on mission experience, the cost estimates for the period from 1 July 2002 to 30 June 2003 were based on a 4 per cent vacancy factor in respect of international staff and no vacancy rate for local staff. The Committee notes that these rates are lower than those for the current period, which are 6.5 per cent and 5 per cent, respectively (see A/55/874/Add.3, para. 19).

16. With regard to the increase in operational expenditure of 25 per cent, the Advisory Committee notes from paragraphs 13 and 14 of annex I.C to the report that this increase is due to the additional requirements for all categories of logistical support, except communications. It includes a 29 per cent increase in cost estimates for premises/accommodation which is due to the implementation of the first phase of a 4-year plan to upgrade troop accommodation for the mission.

17. The Advisory Committee notes from paragraph 25 of annex I.C to the report that the cost estimate for other equipment takes into account the continuation of the Force's replacement programme of 25 per cent of its observation equipment. **The Advisory Committee cautions against the replacement of equipment using automatic ratios.**

18. In connection with the increase in other programmes of 54.9 per cent, the Advisory Committee notes from paragraphs 30 to 32 of annex I.C to the report that this is mainly due to an increase in the cost estimate for the training and upgrade of skills of 63 mission staff members. Upon enquiry, the Committee was informed that the proposed training would be as follows: 10 persons in communications and information technology (specialized courses) at the

United Nations Logistics Base ($40,000); 3 in communications and information technology in Nicosia ($2,400); 20 in general computer training in Nicosia ($6,500); 2 in practical international procurement in Cambodia ($5,500); 2 in contracting of services and works in Austria ($3,200); 2 in Sun systems at the Logistics Base ($3,800); 4 in Progen and Sun accounts in Nicosia ($2,000); 2 in the field assets control system at the Logistics Base ($3,800); 1 in job classification workshop in Turkey ($3,000); 2 in local salary survey workshop in Turkey ($6,000); and 15 in management training in Nicosia ($6,200). The Committee's comments on training are set out in paragraph 7 above.

19. The Advisory Committee notes from paragraph 18 of the report of the Secretary-General (A/56/838) that reimbursement to three troop-contributing countries in respect of major equipment is estimated at $1,048,700. The Committee also notes, from paragraphs 17 and 18 of annex I.C to the report, the rental of additional vehicles to replace 27 contingent-owned vehicles that had been withdrawn.

20. In connection with the field assets control system, the Advisory Committee was informed that, while the system is good, competent staff must be available to maintain it. The report of the Board of Auditors (A/55/5, vol. II, chap. II) gives examples of discrepancies in closing and opening inventory balances. In view of this, the Committee was not satisfied with the reply given by the Administration in annex IV to the report of the Secretary-General (A/56/838), where it is assumed that the primary responsibility for maintaining the system lies with the Department of Peacekeeping Operations.

21. The Advisory Committee notes the information on objective setting in paragraph 21 of the Secretary-General's report. The observations and comments of the Advisory Committee on this are contained in its general report on peacekeeping operations. **The Advisory Committee considers this section of the report on UNFICYP to be a good example, in that the objectives are described in simple concise terms and outputs are described in relation to expected accomplishments and indicators of achievement.**

22. The Advisory Committee requests that, following the implementation of the objectives, particularly the installation of the new information technology systems and the upgrading of the troop accommodation throughout the mission, future budget submissions for the mission should indicate efficiency and productivity gains.

23. The actions to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2002 to 30 June 2003 are indicated in paragraph 3 of the budget report (A/56/838). **The Advisory Committee recommends that the General Assembly (a) approve the appropriation of the amount of $43,652,700 gross ($42,016,500 net) for the maintenance of the mission for the 12-month period from 1 July 2002 to 30 June 2003, including $20,505,500 to be funded through voluntary contributions from the Government of Cyprus ($14,005,500) and the Government of Greece ($6,500,000), and (b) approve the assessment of the amount of $23,147,200 gross ($21,511,000 net), representing the balance net of voluntary contributions, at a monthly rate of $1,928,933 gross ($1,792,583 net), should the Security Council decide to continue the mandate of the Force beyond 15 June 2002.**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Iraq-Kuwait Observation Mission

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 July 2000 to 30 June 2001 (A/56/794 and Corr.1) and the proposed budget for the maintenance of the Mission for the period from 1 July 2002 to 30 June 2003 (A/56/820). During its consideration of the reports, the Committee met with representatives of the Secretary-General, as well as with the Chief Administrative Officer of the Mission, who provided additional information and clarifications.

Financial performance report for the period from 1 July 2000 to 30 June 2001

2. By its resolution 54/18 B of 15 June 2000, the General Assembly appropriated an amount of $52,710,270 gross ($50,287,503 net) for the maintenance of UNIKOM for the period from 1 July 2000 to 30 June 2001, inclusive of the amount of $2,501,232 gross ($2,116,566 net) for the support account for peacekeeping operations and the amount of $391,038 gross ($347,937 net) for the United Nations Logistics Base at Brindisi, Italy. Taking into account the two-thirds share of the net amount, equivalent to $33,525,000, to be funded through voluntary contributions from the Government of Kuwait, the amount of $19,185,270 gross ($16,762,503 net) was assessed on Member States.

3. As indicated in the report of the Secretary-General on the financial performance of UNIKOM (A/56/794, para 11), expenditures for the period totalled $50,074,100 gross ($47,870,200 net), inclusive of $12,921,600 in unliquidated obligations. The resulting unencumbered balance of $2,636,200 gross ($2,417,300 net) represents, in gross terms, approximately 5 per cent of the appropriation. The Committee questions the appropriateness of including

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the amounts for the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi when calculating the percentage of unencumbered balance in financial performance reports as against appropriation. The Committee has commented on this issue in its general report on peacekeeping operations (see A/56/887). As indicated in paragraphs 7 to 9 of the report, the unutilized balance was primarily attributable to a higher than estimated vacancy rate for international staff, the lower cost of rotation travel for military personnel and lower requirements for vehicle spare parts, repairs and maintenance, naval operations, commercial communications and miscellaneous supplies and services.

4. The Advisory Committee notes from paragraph 7 of the report that, while a 10 per cent vacancy factor had been applied to the budget for the period for the authorized staffing of 72 international posts, the actual vacancy rate during the period averaged 26 per cent. **The Committee once again expresses its concern regarding the persistence of high vacancy rates in the Mission and requests that future reports include information on measures taken to address this problem, including whether posts that have been vacant for a long duration are actually needed.**

5. The Advisory Committee welcomes the inclusion in table 1 of the Secretary-General's performance report of a breakdown of expenditures for staff security for the period. Upon request, the Committee was provided with similar estimates for the periods ending 30 June 2002 and 30 June 2003 (see annex to the present report). The Committee was informed that UNIKOM depended on the contingents for security in the demilitarized zone and that the total expenditure of $512,800 for security included equipment for contingents.

6. The Advisory Committee notes from annex II, paragraphs 14 and 15, of the Secretary-General's report, that 19 Mission personnel were trained during the reporting period at a total cost of $40,900, as against the apportionment of $15,000. The Committee points out that such a significant variance indicates a lack of proper planning on the part of the Mission. Furthermore, the information given in paragraph 14 is generic; the training programme should be designed to meet the specific needs of the Mission. The Committee notes the emphasis on training in information technology. With an investment of this magnitude in such training, the gains in productivity and management efficiency should be demonstrable.

7. The Advisory Committee was informed that troop-cost reimbursement up to 31 October 2001 totalled $100.3 million, while the amount owed for the period from 1 November 2001 to 31 January 2002 was $3 million. With regard to contingent-owned equipment, the Committee was informed that, as at 31 January 2002, an amount of $10.1 million had been reimbursed and the estimated amount owed was $2.3 million, while unliquidated obligations totalled $2.7 million. In respect of death and disability compensation, $854,272 had been paid as at 31 January 2002 for 17 claims, 7 claims were pending and unliquidated obligations amounted to $1,502,039.

8. The Advisory Committee was also informed that the cash position of UNIKOM as at 11 February 2002 was $59.3 million and that, as at 31 January 2002, unliquidated obligations for the period from 1 July 2000 to 30 June 2001 amounted to $3,534,142, of which $1,970,129 were Government-related and $1,564,013 were not. The total amount assessed on Member States up to 30 April 2002 was $309.1 million, against which the payments received amounted to $292.1 million, leaving an outstanding balance of $17 million.

9. The action to be taken by the General Assembly in connection with the financing of UNIKOM for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 13 of the Secretary-General's report. **The Advisory Committee recommends that the unencumbered balance of $2,636,200 gross ($2,417,300 net) for the period from 1 July 2000 to 30 June 2001, as well as the interest and other income in the amount of $3,949,000, be credited to Member States, it being understood that two thirds of the amount would first be refunded to the Government of Kuwait.**

Information on performance for the current period

10. The Advisory Committee was informed that, against the authorized staffing establishment of UNIKOM for the period from 1 July 2001 to 30 June 2002 of 906 military contingent personnel, 195 military observers (excluding 105 on standby, who are authorized but not budgeted for), 63 international staff

and 174 local staff, the positions encumbered as at 31 January 2002 were 905 military contingent personnel, 192 military observers, 54 international staff and 165 local staff.

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2001 to 30 June 2002, as at 15 February 2002, for Headquarters and 31 January 2002 for the field. Expenditure for the period amounted to $38,102,700 gross ($34,980,800 net) against an apportionment of $55,937,200 gross ($52,815,300 net).

Cost estimates for the period from 1 July 2002 to 31 June 2003

12. As indicated in paragraph 1 of the report of the Secretary-General on the proposed budget of UNIKOM (A/56/820), the cost of maintaining the Mission for the period from 1 July 2002 to 30 June 2003 is estimated to be $53,340,600 gross ($51,112,700 net), inclusive of budgeted voluntary contributions in kind amounting to $2,767,400. Two thirds of the total amount, or $32,230,200 net, is to be funded through voluntary contributions from the Government of Kuwait. As stated in paragraph 2 of the report, the proposed budget represents a 1.7 per cent decrease ($889,300) in gross terms in relation to the apportionment for the period from 1 July 2001 to 30 June 2002. In paragraph 3 of his report, the Secretary-General proposes assessment of the amount of $18,343,000 gross ($16,115,100 net), representing the balance net of voluntary contributions, for the period from 1 July 2002 to 30 June 2003. The proposed budget that appears in table 1 of his report reflects decreases of $2,825,100, or 12 per cent, in military personnel costs and $711,700, or 5.2 per cent, in civilian personnel costs, offset in part by increases of $2,848,900, or 25.6 per cent, in operational requirements, $55,800, or 52.7 per cent, in other programmes and $97,300, or 4.6 per cent, in staff assessment.

13. The increase in operational requirements relates primarily to higher provisions for utilities, renovation of premises owing to the deterioration caused by the harsh climate, replacement of old or damaged vehicles, increased costs for air operations under the current letter of assist arrangements, replacement of worn or obsolete communications equipment, acquisition of additional satellite and telecommunications equipment, acquisition of additional information technology equipment and replacement of worn or obsolete equipment, and additional requirements under contractual services related to the outsourcing of building maintenance activities, commercial security services and data-processing services.

14. The estimate provides for 195 military observers (excluding 105 on standby, who are authorized but not budgeted for), 904 military contingent personnel, 67 international staff and 168 local staff (see para. 10 above for the current incumbency).

15. The Advisory Committee notes, as indicated in paragraphs 21 and 22 of the report, that the proposed staffing level for the period reflects an increase of four international posts and a reduction of six local posts, for a net reduction of two posts. The proposed changes in staffing are related to the restructuring of the Administrative Division. The General Services Section has been abolished and two new sections have been established: the Supply and Property Management Section and the Safety and Security Section. As a result, proposed staffing changes include one new P-3 post for the Chief of the Security and Safety Section, three new Field Service posts for a Security/Investigation Officer, a Deputy Chief Engineering Officer and a Facilities Management Officer, and the abolition of six local level posts. **The Advisory Committee agrees with the staff changes proposed.**

16. **The Advisory Committee trusts that the addition of a Facilities Management Officer will improve the handling of property and inventory in the Mission. The Committee notes with concern the continuing vacancies in a number of key posts, including Chief Procurement Officer. In this connection, the Committee recalls the recommendation of the Board of Auditors that "the Office of Programme Planning, Budget and Accounts, in conjunction with the Department of Peacekeeping Operations, reconcile all differences in inventory reports and also implement measures to ensure the accurate maintenance of such reports for the disclosure of non-expendable equipment in the financial statements of the United Nations peacekeeping operations" (A/56/5, vol. II, chap. II, para. 23).**

17. The Advisory Committee was informed that at the time of its review of the proposed budget of UNIKOM, there were nine vacant international posts.

The Committee was also informed that as of December 2001 the vacancy rate for UNIKOM was 11 per cent, down from 26 per cent in January 2001. **The Committee welcomes this improvement. However, as stated in paragraph 16 above, the Committee is concerned that a number of key posts remain vacant, including the Chief Procurement Officer and the Chief of Air Operations. As indicated in paragraph 7 of annex I.C of the aforementioned report of the Secretary-General on the proposed budget for UNIKOM (A/56/820), the vacancy factor applied for international staff in the proposed budget is 5 per cent. In the opinion of the Committee, a 10 per cent vacancy factor would be more realistic.**

18. The Advisory Committee enquired about the status of the case before the Administrative Tribunal concerning overpayment of mission subsistence allowance to civilian staff. It was informed that the Tribunal would use the outcome of that case, which would be considered during its summer session in 2002, as a reference for similar cases.

19. The Advisory Committee notes that the proposed training programme would include training for 26 staff (see A/56/820, annex II.A). The proposed budget for the period from 1 July 2001 to 30 June 2002 included provision for training of 29 staff, and the financial performance report for the period from 1 July 2000 to 30 June 2001 reported completion of training for 19 staff. Thus, in a three-year period, a total of 74 staff will have been trained. **The Committee reiterates its view that the number of people to be trained in the Mission seems high in relation to the number of established posts.**

20. The Advisory Committee commends UNIKOM for the efforts it has made to set attainable objectives (see A/56/820, para. 23); however, it recommends that in the future these objectives be simplified and defined more precisely. Furthermore, the number of expected accomplishments and indicators of achievement should be reduced to facilitate evaluation.

21. The action to be taken by the General Assembly in connection with the financing of UNIKOM for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 3 of the Secretary-General's report on the proposed budget for UNIKOM. **The Advisory Committee recommends that the Assembly (a) approve the appropriation of the amount of $50,573,200 gross ($48,345,300 net) for the maintenance of the Mission for the 12-month period beginning 1 July 2002, including the amount of $32,230,200 net, representing two thirds of the cost, to be funded through voluntary contributions from the Government of Kuwait and (b) approve the assessment of the amount of $18,343,000 gross ($16,115,100 net), representing the balance net of voluntary contributions, at a monthly rate of $1,528,583 gross ($1,342,925 net), subject to a decision by the Security Council, with regard to the termination or continuation of UNIKOM.**

Annex

Expenditures related to staff security for the period 1 July 2001 to 30 June 2002

(United States dollars)

Category of expenditure	*Amount*
International security staff	98 000
Local security personnel	185 000
Alterations and renovations to premises	15 000
Protective vehicles	332 000
Supplies and services	8 000
Total	**638 000**

Expenditures related to staff security for the period 1 July 2002 to 30 June 2003

(United States dollars)

Category of expenditure	*Amount*
International security staff	148 500
Local security personnel	296 600
Alterations and renovations to premises	8 000
Other equipment	30 400
Supplies and services	122 500
Total	**606 000**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Interim Administration Mission in Kosovo

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Interim Administration Mission in Kosovo

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2000 to 30 June 2001 (A/56/763) and on the proposed budget for the Mission for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/802). During its consideration of the reports, the Committee met with representatives of the Secretary-General, including the Principal Deputy Special Representative of the Secretary-General and the Director of Administration of the Mission, who provided additional information and clarifications.

2. UNMIK was established by the Security Council in its resolution 1244 (1999) of 10 June 1999 for an initial period of 12 months, to continue thereafter unless the Security Council decided otherwise. The political mandate and main responsibilities of the Mission are outlined in paragraph 4 of document A/56/802.

3. The Advisory Committee had a copy of the report of the Secretary-General on the proposed budget for the Mission for 2002/2003, sections of which had not yet been finalized. This caused the Committee a number of difficulties in understanding the document and in comparing it with previous budget submissions.

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Financial performance report for the period from 1 July 2000 to 30 June 2001

4. In its resolution 55/227 A of 23 December 2000, the General Assembly appropriated $450 million gross ($422,053,500 net) for the maintenance of the Mission for the period from 1 July 2000 to 30 June 2001, inclusive of the $220 million gross ($207,407,400 net) authorized by the General Assembly in its resolution 54/245 B of 15 June 2000. The total amount has been assessed on Member States (see A/56/763, para. 3).

5. As indicated in the financial performance report (see A/56/763, para. 14 and table 2), expenditure for the period totalled $383,462,000 gross ($360,687,000 net), inclusive of $63,237,200 in unliquidated obligations. The resulting unencumbered balance of $66,538,000 gross ($61,366,500 net) represents, in gross terms, approximately 14.8 per cent of the amount appropriated. As in the previous period for 2000/2001 the unencumbered balance relates mainly to civilian personnel costs ($42,869,600), owing to higher than anticipated vacancy rates among civilian police and international and local staff, as well as to the appointment of international staff at lower levels than authorized and the discontinuation of the hazardous duty station allowance in Pristina municipality in February 2001.

6. The average vacancy rates for the period 2000/2001 were 16 per cent for international staff and 8 per cent for local staff, as compared with the 15 per cent for international staff and 5 per cent for local staff projected in the budget estimates. For civilian police the vacancy rate was 9 per cent, as compared with the 5 per cent projected in the budget estimates (see A/56/763, para. 5). The Advisory Committee was provided with the following table showing incumbency as at 31 December 2001:

Category of personnel	*Authorized*	*Encumbered*	*Vacancy rate (percentage)*
Military liaison officers	38	38	-
Civilian police	4 718	4 505	4.5
International staff	1 319	1 173	11.1
Local staff	3 858	3 537	8.3
National officers	11	6	45.5
United Nations Volunteers	203	194	4.4

7. In connection with the high level of vacancies in UNMIK during the reporting period, the Advisory Committee recalls that the United Nations Board of Auditors, in its report on the accounts of the United Nations peacekeeping operations for the period ended 30 June 2001 (A/56/5), noted that the Mission had received from Headquarters large cash remittances to cover requirements that exceeded actual needs. Upon enquiry, the Committee was informed that action had been taken to ensure that remittances were at a lower level.

8. The Committee is also concerned about the instances of overpayment of mission subsistence allowance, identified in the report of the Office of Internal Oversight Services (see A/56/648, paras. 19 and 20). The Committee notes that, as at the date of its examination of the performance report for 2000/2001 and the

budget estimates for 2002/2003, no action to remedy the situation had been taken. The Committee will comment further on the subject in its general report on the financing of peacekeeping operations to be issued in the spring of 2002. **Taking account of the results presented in the UNMIK financial performance report, the findings of the Board of Auditors and the testimony of representatives of the Mission and of the Secretariat, the Committee concludes that more needs to be done to improve planning, to prepare realistic estimates and to increase productivity and efficiency in operational activities such as procurement, transport, communications and air operations.**

9. **The Advisory Committee is of the view that budget monitoring, accounting and proper recording of expenditure should be improved.** For example, the Committee notes that the vacancy rate of 9 per cent for civilian police (see para. 6 above) and the underexpenditure of $5.1 million under this budget item resulted, inter alia, from delays in the deployment of four formed special police units and the non-deployment of one unit (see A/56/763, annex I, and annex II, para. 4). However, the Committee was informed that because of increased requirements there had been an overexpenditure of $792,600 for uniforms, flags and decals for the police, which were recorded under the heading of miscellaneous supplies.

10. **The Advisory Committee continues to be concerned about the large number of vehicles, primarily police vehicles, involved in accidents.** The Committee recalls that it requested a thorough analysis of the situation in order to identify the root causes of the accidents and take steps towards a coordinated solution to the problem (see A/55/624, para. 54). Upon enquiry, the Committee was informed of the progress achieved to date to train and test police personnel in driving before deployment. However, the Committee notes from the information provided that, as a result of high accident rates, expenditure for spare parts, repairs and maintenance amounted to $3,962,000, as compared with an apportionment of $3,560,000, reflecting an overexpenditure of $402,000. It thus appears that the rate of accidents has hardly come down from the high rate that the Committee noted when it visited UNMIK in June 2000. The Committee was provided with the following vehicle accident/incident statistics for 2001-2002:

	Accidents	*Incidents**	*Total*
Division of Administration	223	183	406
Civil Administration	196	202	398
Civilian Police	868	856	1 724
Office of the Special Representative of the Secretary-General	29	26	55
Total	**1 316**	**1 267**	**2 583**

* An incident is an occurrence involving a single vehicle and no injuries to personnel or third parties.

11. The Advisory Committee enquired about the procurement, installation and cost of the Carlog system and the effect that it has had on the monitoring of vehicles. The Committee was informed that about $1.9 million would be spent on the system for the entire UNMIK vehicle fleet. To date 2,742 vehicles have been equipped with the

Carlog unit at a cost of $630 per vehicle. The system will provide computerized recording of trip data, including data on distances travelled, speed, driver identification and engine parameters. The system is expected to replace the monthly trip tickets that are filled out manually, and thus to reduce the opportunity for fraud and vehicle theft.

12. In addition, the Committee was informed that UNMIK has purchased a fuel log system for $123,000. To date 2,749 UNMIK vehicles have been equipped with fuel sensor coils so that the Mission can use the fuel log system to track fuel dispensed to them. A total of 11 pumps at five fuel stations and one fuel truck have been equipped with the fuel log units at an installation cost of approximately $1,640 each. A total of 26 fuel log units are currently on order, 12 to be installed on fuel trucks and 12 on fuel pumps located in small stations throughout the municipalities, and 2 in Skopje to track fuel consumed by the liaison office.

13. **However, the Committee is not convinced that the expense of procuring, installing and maintaining the Carlog system for UNMIK is cost-effective. The Committee cautions against what appears to be a growing tendency to procure sophisticated technology that is in excess of the actual needs of peacekeeping missions. The Committee will comment further on this in its general report on peacekeeping operations.**

14. As indicated in the financial performance report, a total of 1,051 UNMIK personnel received training during 2000/2001, with emphasis on the areas of communications and information technology (see A/56/763, annex II, paras. 29 and 30). Training expenditure amounted to $429,200, as compared with an apportionment of $418,200, reflecting an overexpenditure of $11,000. The Committee recalls that for the current period (2001/2002), training estimates amount to $412,600, with emphasis also on the areas of communications and information technology (see A/55/833, annex I.A, and annex I.C, paras. 40 and 41). Furthermore, for the period 2002/2003, the Mission plans to train 1,331 staff members at an estimated cost of $679,500; again, the requirements relate primarily to communications and electronic data-processing training (see A/56/802, annex I.C, para. 28). **The Advisory Committee is concerned about what appears to be unwarranted overexpenditure in UNMIK training activities even though the Mission should be planning to downsize (see para. 34 below). While training expenditure may not appear large relative to the total expenditure of the Mission, the Committee concludes that there does not appear to be a carefully designed training plan or programme to address critical risk areas.**

15. The Advisory Committee was informed that reimbursement for the costs of formed police units up to 31 August 2001 totalled $15,864,458, while the amount owed for the period from 1 September 2001 to 31 December 2001 was $4,809,544. With regard to contingent-owned equipment, the Committee was informed that, as at 31 December 2001, $3,045,037 had been reimbursed, the estimated amount owed was $3,737,730 and unliquidated obligations totalled $8,237,355. In respect of death and disability compensation, $329,562 had been paid, with 8 claims pending, and unliquidated obligations amounted to $3,654,538, with 33 claims pending.

16. The Advisory Committee was informed that the cash position of UNMIK as at 31 December 2001 was $170.5 million. Unliquidated obligations for the period 2000/2001 as at 31 December 2001 amounted to $3.4 million (Government) and $14.2 million (non-Government). The total amount assessed on Member States as at

31 December 2001 was $1,238.4 million, against which the payments received amounted to $957.8 million, leaving an outstanding balance of $280.6 million.

17. The Advisory Committee was provided with expenditure information for the period from 1 July 2001 to 30 June 2002, as at 31 January 2002, amounting to $226,747,800 gross ($212,028,700 net), as compared with apportionments of $413,361,800 for the period 2001/2002, reflecting an unencumbered balance of $186,614,000 (see annex I to the present report). In addition to other factors noted below, the Committee has taken account of the results presented in the financial performance report for the period 2000/2001 and the status of expenditure for the period 2001/2002 in recommending the adjustment of the estimates proposed for 2002/2003.

18. The action to be taken by the General Assembly is set out in paragraph 16 of the financial performance report. **The Advisory Committee recommends that the unencumbered balance of $66,538,000 gross ($61,366,500 net) for the period from 1 July 2000 to 30 June 2001 be credited to Member States in a manner to be determined by the General Assembly. The Committee further recommends that other income for the period from 1 July 2000 to 30 June 2001 amounting to $29,041,000 from interest income ($7,322,000), other/miscellaneous income ($1,882,000) and savings on or cancellation of prior period obligations ($19,837,000) also be credited to Member States.**

Cost estimates for the period from 1 July 2002 to 30 June 2003

19. As indicated in the report of the Secretary-General on the budget for UNMIK for the period from 1 July 2002 to 30 June 2003, the proposed budget amounts to $391,076,200 gross ($363,861,900 net), which represents a 2.2 per cent decrease ($8,923,800) in gross terms in relation to the apportionment of $400 million for the period ending 30 June 2002. The proposed gross budget reflects a decrease of $18,857,800, or 6.2 per cent, for civilian personnel, offset by increases of $411,800, or 5.2 per cent, for military personnel, $8,797,900, or 20 per cent, for operational requirements and $5,200, or 0.4 per cent, for other programmes (see A/56/802, paras. 1 and 2 and table 1). The Advisory Committee notes that the total gross estimate of $391.1 million for 2002/2003 is almost 2 per cent more than the total gross expenditure of $383.5 million for 2000/2001.

Military personnel

20. Military personnel cost estimates for 2002/2003 amount to $8,301,800, comprising $1,198,300 for 38 military liaison officers, $4,173,700 for contingent-owned equipment, $1,121,400 for self-sustainment and $1,808,400 for death and disability compensation (see A/56/802, annex I.A).

21. The Advisory Committee notes from the budget document that mission factors intended to compensate formed unit-contributing countries for extreme operational conditions in the mission area are once again included in the estimates (see A/56/802, para. 37). The Committee questions, however, whether they are warranted at the level proposed. Upon enquiry, the Committee was informed that since 2000, with the first deployments of the special police units, the issue of mission factors has been addressed every time UNMIK has conducted operational readiness inspections. However, to date UNMIK has not identified any drastic

change in the situation relating to mission factors. Therefore, no change of mission factors has yet been implemented by UNMIK. **Nevertheless, the Committee requests that mission factors in UNMIK be carefully reviewed and, if warranted, adjusted in accordance with changes in the operational conditions in the mission area.**

Civilian personnel

22. The budget proposal for 2002/2003 includes provision for 4,718 civilian police, 1,323 international staff, 3,658 local staff, 11 national officers and 250 United Nations Volunteers (see A/56/802, annex I.C, para. 1).

23. The bulk of the cost estimate for 2002/2003 is for civilian personnel, amounting to $301.4 million, as compared with $280.1 million for the period 2000/2001, representing an increase of about 7.6 per cent (see A/56/802, table 1). The civilian personnel cost comprises $121.9 million for civilian police, $168.7 million for international and local staff and $10.8 million for United Nations Volunteers. The cost estimate for 3,470 civilian police takes into account a vacancy factor of 5 per cent, while the cost estimate for 1,248 police in formed units is based on full deployment. The cost estimates for international staff and local staff are based on a 5 per cent vacancy factor, and salary costs take into account actual costs during the period 2000/2001 (see A/56/802, annex I.C, paras. 1 and 6-8). However, the Committee notes that, as indicated in paragraph 6 above, for 2000/2001 the average vacancy rate was 16 per cent for international staff and 8 per cent for local staff; furthermore, the Committee was informed that as at 31 December 2001 the vacancy rates for international and local staff were about 11 per cent and 8 per cent, respectively. In view of the possible downsizing of the Mission (see paras. 32-35 below), **the Committee is of the view that the vacancy factors for international and local posts should be increased, taking into account actual experience in the Mission area and the recommendation of the Advisory Committee in paragraph 34 below.**

24. The Advisory Committee notes that part VIII.A of the budget document includes a tabulation of proposed posts for international and local staff, national officers and United Nations Volunteers for the period 2002/2003, as compared with the authorized posts for 2001/2002. New posts for 2002/2003 are summarized in paragraph 38 of the document, with an increase of five international posts (one Assistant Secretary-General, two P-5s and two P-3s) and 47 posts for United Nations Volunteers, and a net decrease of one P-4 and 200 local posts (150 interpreters for the police and 50 security staff). A summary table in part VIII.B shows current and proposed staffing for the Mission, taking into account the structural changes implemented in 2001 (see A/56/802, paras. 7-8). The Committee notes that an attempt has been made to explain the staffing changes in the narrative of part VIII, but that the explanation is not entirely transparent. **In view of the large number of changes in the structure of the Mission, including the establishment of new units and large-scale redeployment of staff, the Committee believes that a complete staffing table showing current and proposed staffing by organizational unit should have been included in the report.** Upon request, the Committee was provided with the proposed staffing for 2002/2003, as compared to 2001/2002, by organizational unit (see annex II to the present report).

25. The Advisory Committee notes that the budget document is structured to reflect organizational changes in UNMIK that were introduced in 2001 after the Advisory Committee examined the budget for the period 2001/2002 (see A/55/833). The Committee notes that the structural changes were implemented in 2001 in response to the priorities established for UNMIK by the Special Representative of the Secretary-General in January 2001, as set out in paragraphs 7 and 8 of document A/56/802 and explained in paragraphs 9-27 of that document. Because of this development it was difficult for the Committee to analyse the estimates in relation to previous submissions. This caused the Committee a number of difficulties in understanding the document and in comparing it with previous submissions (e.g., A/55/833, A/55/624 and A/55/874/Add.6).

Police and Justice Pillar (Pillar I)

26. As indicated in paragraph 14 of the budget document, UNMIK has identified the continued strengthening of the capabilities and functioning of the law enforcement and criminal justice systems as a central priority. In keeping with this objective, a separate Police and Justice Pillar (Pillar I) was established on 21 May 2001 by relocating the Departments of Police and Justice from Pillar II (Civil Administration) to the new Pillar I. For the period 2001/2002, 1,964 posts were redeployed to the Police and Justice Pillar from other units of UNMIK (1,953 from Pillar II, 10 from the Division of Administration and 1 from the Office of the Special Representative of the Secretary-General) (see A/56/802, paras. 59-61 and part VIII.B). For the period 2002/2003, 1,815 posts are proposed for the Police and Justice Pillar, comprising 1,964 existing posts, less 150 local posts for police interpreters approved for 2001/2002 that remained frozen during the period, plus one additional post at the Assistant Secretary-General level for a Deputy Special Representative to head the new Pillar I (see A/56/802, paras. 59-61 and 68).

27. For the Department of Justice, the Advisory Committee understands that the proposal for 2002/2003 includes a doubling of the number of international judges and prosecutors from the current authorized number of 10 international judges and 7 prosecutors to 20 and 14, respectively. The Committee was informed that the caseload had increased to 145 cases as at February 200?, as compared with 25 at the beginning of the programme. It is the Committee's understanding that the process of appointing additional judges and prosecutors has already started. **In this connection, the Committee recalls its comments in document A/55/624, paragraph 37, which, in the Committee's view, remain valid. Unless a strategy is formulated to remedy circumstances that lead to more cases being taken over by international judges, the mere doubling of the number, as recommended, will not be enough. The Committee cautions against laying the ground for a situation in which UNMIK would be forced to continue to fund international judges, prosecutors and personnel for the Kosovo penal system for an indeterminate period and without an exit strategy.**

Civil Administration Pillar (Pillar II)

28. For the period 2002/2003, 1,171 posts are proposed for the Civil Administration Pillar (Pillar II), as compared with 1,126 posts in 2001/2002. Prior to the redeployment of 1,953 posts from Pillar II to the new Pillar I in 2001 (see para. 26), the authorized staffing for Pillar II for the period 2001/2002 comprised 3,079 posts (see A/56/802, para. 110 and part VIII.B). Paragraphs 111-129 of

document A/56/802 discuss in some detail the functional responsibilities of Pillar II after the restructuring of UNMIK in 2001.

29. The Advisory Committee notes from paragraph 110 and part VIII.B of the budget document that a total of 928 posts are proposed for Pillar II (403 Professional, 67 General Service, 1 national officer and 457 local posts), or about 19 per cent of the proposed total of 4,992 international and local posts. In addition, 243 United Nations Volunteers are proposed for Pillar II for 2002/2003, as compared with 196 for 2001/2002. Within the Civil Administration Pillar, 355 posts are requested for seven Ministries (Provisional Institutions for Self-Government) and 673 for Regional and Municipal Administrations. On the basis of information supplied in testimony, the Committee has concluded that the number and duration of posts for the seven Ministries and Regional and Municipal Administrations will largely depend on when the Provisional Institutions for Self-Government are established and how their consolidation proceeds. Once they are established, and following the municipal elections scheduled for October 2002, the transfer of responsibilities from UNMIK to Kosovo institutions will affect the number of posts that continue to be funded from the Kosovo consolidated budget. In this connection, the Committee notes the Secretary-General's statement in document S/2002/62, paragraph 34, that "approximately 3,600 municipal civil servants have undergone training", and his statement in document A/56/802, paragraph 27, that "it is projected that UNMIK will turn over a balanced budget to the Provisional Self-Government in 2002".

30. The Committee was informed on 28 February 2002, during the hearing on this matter, that an agreement had been reached on the appointment of the President and a Prime Minister of Kosovo. **In view of this development, and taking account of the fact that the budget estimates for 2002/2003 were prepared before that agreement had been reached, the Committee recommends that steps be taken to establish a timetable for reducing the number of posts allocated for the seven Ministries and Regional and Municipal Administration. The Committee has taken this fact into account in its recommendation on the level of the budget for UNMIK for 2002/2003.**

31. The Advisory Committee was informed that the responsibility of the Special Representative of the Secretary-General for the four UNMIK Reserved Departments (Agriculture and Forestry, Civil Security and Emergency Management, Public Services, and Transport and Infrastructure), for which 92 posts have been allocated, would continue as long as the final status of Kosovo remains to be determined. **The Committee agrees with the establishment of these posts, subject to its comments in paragraph 34 below.**

Division of Administration

32. The 2002/2003 proposal reduces the number of posts in the Division of Administration from 2,104 to 2,055, a net reduction of 49 (reflecting a reduction of 50 local security posts and the addition of 1 P-4 HIV/AIDS post). Prior to the restructuring of UNMIK in 2001, the authorized staffing for the Division of Administration was 2,117 posts for the period 2001/2002. The Division redeployed 13 posts in 2001 (3 to the Office of the Special Representative of the Secretary-General and 10 to Pillar I) (see A/56/802, part VIII.B and paras. 130-138). **The Advisory Committee is of the view that the retention of such a large number of**

posts for administrative and support services needs to be reviewed in the light of changes that are affecting the role of the Division and the activities funded from the UNMIK budget (see paras. 28-29 above).

33. The Advisory Committee notes the objectives set out in paragraph 139 of the budget document. **In the opinion of the Committee, these objectives are confined to the narrow administrative aspect of the Mission; they are too simplistic and appear to bear no relation to what UNMIK is expected to accomplish during this period of transfer of responsibility to the self-governing institutions of Kosovo.**

34. **The Advisory Committee recommends that the Mission plan a downsizing strategy that would require reductions in personnel, especially from Pillar II and the Division of Administration. As indicated above, priority in retention of staff should be accorded to the police, the judiciary, the penal system, and services for minorities and returnees, including resettlement and integration. Staff for the four Reserved Departments should also be reviewed to identify functions that could appropriately be performed by nationals of Kosovo without detriment to the role and powers of the Special Representative of the Secretary-General.**

Budgetary recommendation

35. **With respect to the action to be taken by the General Assembly, as proposed by the Secretary-General in document A/56/802, paragraph 3, the Advisory Committee recommends that, taking into account the comments and observations mentioned above, the General Assembly appropriate the amount of $330 million, reflecting a reduction of $61,076,200 from the proposed estimate of $391,076,200. The Committee further recommends that after the municipal elections in Kosovo the Secretary-General prepare a plan to downsize the Mission (see para. 34 above), with a view to implementing the recommendations of the Committee, if accepted by the General Assembly.**

Annex I

Expenditure for the period from 1 July 2001 to 30 June 2002 as at 31 January 2002

(Thousands of United States dollars)

Category of expenditure	*Apportioned*	*Expenditure*	*Unencumbered balance*
1. **Military**	7 890.0	7 040.0	**850.0**
2. **Civilian**	320 280.5	167 595.6	**152 684.9**
3. **Operational requirements**			
Premises/accommodation	6 656.4	4 698.0	1 958.4
Infrastructure repairs	-	-	-
Transport operations	6 591.8	3 530.8	3 061.0
Air operations	4 552.2	1 635.4	2 916.8
Communications	4 757.8	2 349.5	2 408.3
Other equipment	4 959.2	870.5	4 088.7
Supplies and services	16 146.1	11 645.3	4 500.8
Air and service freight	500.0	371.7	128.3
Subtotal, category 3	**44 163.5**	**25 101.2**	**19 062.3**
4. **Other programmes**			
Election-related supplies and services	-	-	-
Public information programmes	315.7	237.8	77.9
Training programmes	412.6	232.5	180.1
Mine-clearance programmes	442.5	69.5	373.0
Assistance for disarmament and demobilization	-	-	-
Subtotal, category 4	**1 170.8**	**539.8**	**631.0**
5. **United Nations Logistics Base at Brindisi**	1 134.9	1 134.9	-
6. **Support account for peacekeeping operations**	10 617.2	10 617.2	-
7. **Staff assessment**	28 104.9	14 719.1	13 385.8
Subtotal, categories 1-7	**413 361.8**	**226 747.8**	**186 614.0**
8. **Income from staff assessment**	(28 104.9)	(14 719.1)	(13 385.8)
Total	**385 256.9**	**212 028.7**	**173 228.2**
9. **Voluntary contributions in kind**	-	-	-
Total resources	**413 361.8**	**226 747.8**	**186 614.0**

Annex II

Proposed staffing for 2002/2003 as compared with authorized staffing for 2001/2002 for the United Nations Interim Administration Mission in Kosovo

	Professional category and above								*General Service and related categories*								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Prin-cipal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volun-teers*	***Grand total***
Office of the SRSG/Principal Deputy SRSG																		
Current	1	1	1	1	2	2	2		**10**			6		**6**	7			**23**
To Belgrade Office															-3			**-3**
Proposed	1	1	1	1	2	2	2		**10**			6		**6**	4			**20**
Planning and Coordination Section																		
Current					1	1	1		**3**			1		**1**	1			**5**
To Advisory Unit on Security						-1	-1		**-2**			-1		**-1**	-1			**-4**
To Office of Political Affairs					-1				**-1**									**-1**
Proposed				0	0	0	0	0	**0**			0		**0**	0			**0**
Advisory Unit on Security																		
Current									**0**					**0**				**0**
From Planning and Coordination Section						1	1		**2**			1		**1**	1			**4**
From Economic Policy Office							1		**1**									**1**
Proposed						1	2		**3**			1		**1**	1			**5**
Office of the Resident Auditor																		
Current						1	1		**2**			1		**1**	1			**4**
Proposed					2	1	3		**6**			1		**1**	1			**8**
Office of Political Affairs																		
Current			1	2	2	3	7	1	**16**			6		**6**	10			**32**
To Belgrade Office							-1		**-1**			-1		**-1**				**-2**
From Planning and Coordination Section					1				**1**									**1**
From Economic Policy Office						1			**1**									**1**
Subtotal			**1**	**2**	**3**	**4**	**6**	**1**	**17**	**0**	**0**	**5**	**0**	**5**	**10**	**0**	**0**	**32**

	Professional category and above								*General Service and related categories*								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Prin-cipal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volun-teers*	***Grand total***
Belgrade Office																		
Current																		**0**
From Office of the SRSG															3			**3**
From Department of Public Services			1						**1**									**1**
From Economic Policy Office					1				**1**			1		**1**	3			**5**
From Office of Political Affairs							1		**1**			1		**1**				**2**
From Office of the Spokesperson							1		**1**									**1**
From Division of Administration							1		**1**						2			**3**
Subtotal			**1**	**0**	**1**	**0**	**3**	**0**	**5**	**0**	**0**	**2**	**0**	**2**	**8**	**0**	**0**	**15**
Proposed			2	2	4	4	9	1	**22**			7	0	**7**	18			**47**
Office of the Spokesperson and Public Information																		
Current				1	2	10	11	4	**28**			7		**7**	30			**65**
To Office of the Deputy SRSG — Pillar I						-1			**-1**									**-1**
To Belgrade Office							-1		**-1**									**-1**
Proposed			0	1	2	9	10	4	**26**			7		**7**	30			**63**
Office of the Legal Adviser																		
Current			1	1	3	6	6	2	**19**			9		**9**	9			**37**
Proposed			1	1	3	6	6	2	**19**			9		**9**	9			**37**
Economic Policy Office																		
Current				1	1	1	1		**4**			1		**1**	3			**8**
To Public Services				-1					**-1**					**0**				**-1**
To Belgrade Office					-1				**-1**					**0**				**-1**
To Office of Political Affairs						-1			**-1**					**0**				**-1**
To Belgrade Office												-1		**-1**	-3			**-4**
To Advisory Unit on Security							-1		**-1**					**0**				**-1**
Proposed				0	0	0	0		**0**			0		**0**	0			**0**

	Professional category and above									*General Service and related categories*								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Principal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volunteers*	***Grand total***
Office of Human Rights and Community Affairs (Renamed Office of Returns and Communities)																		
Current				1	1	1	3		**6**			1		**1**	3			**10**
Proposed				1	1	1	3		**6**			1		**1**	3			**10**
Military Liaison Office																		
Current				1	1	2	2		**6**			1		**1**	4			**11**
Proposed				1	1	2	2		**6**			1		**1**	4			**11**
Total substantive																		
Current	1	1	3	8	13	27	34	7	**94**			33	0	**33**	68	0	0	**195**
Proposed	1	1	4	7	15	26	37	7	**98**			33	0	**33**	70	0	0	**201**
Police and Justice Pillar (Pillar I)																		
Office of the Deputy SRSG for Police and Justice																		
Current																		**0**
New post		1							**1**									**1**
From Civil Security and Emergency Preparedness								1	**1**					**0**	5			**6**
From Regions						1			**1**			1		**1**				**2**
From Municipalities					1				**1**			1		**1**				**2**
From Office of the Spokesperson						1			**1**					**0**				**1**
Proposed		1			1	2		1	**5**			2		**2**	5			**12**
Department of Justice																		
Current									**0**					**0**				**0**
Transferred from Department of Justice			1	8	12	3	41	22	**87**			18		**18**	49			**154**
From Regions						9	28		**37**			30		**30**				**67**
From Municipalities					12	2	13		**27**			35		**35**				**62**
From Division of Administration								5	**5**	5				**5**				**10**

	Professional category and above								General Service and related categories								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Principal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volunteers*	***Grand total***
From Civil Security and Emergency Preparedness						2	2	1	**5**					**0**	4			**9**
Proposed			1	8	24	16	84	28	**161**	5		83		**88**	53			**302**
Police																		
Current									**0**					**0**				**0**
Transferred from Police			1	1		2	1		**5**			1		**1**	1 645			**1 651**
Reduction in posts															-150			**-150**
Proposed			1	1		2	1		**5**			1		**1**	1 495			**1 501**
Total, Pillar I																		
Current		0	0	0	0	0	0	0	**0**	0	0	0	0	**0**	0	0	0	**0**
Proposed		1	2	9	25	20	85	29	**171**	5		86		**91**	1 553			**1 815**
Civil Administration (Pillar II)																		
Office of the Deputy SRSG for Civil Administration																		
Current		1	1	1	1	2	1		**7**			6		**6**	10			**23**
Proposed		1	1	1		2	1		**6**			5		**5**	8	1	3	**23**
Office of Gender Affairs																		
Current					1	1			**2**			1		**1**	2			**5**
Proposed					1	1			**2**			1		**1**	2		1	**6**
Monitoring Unit (Renamed Oversight, Monitoring and Reporting Unit)																		
Current						6			**6**			1		**1**	2			**9**
Proposed						6			**6**					**0**	2			**8**
Management Review and Internal Oversight Unit																		
Current									**0**					**0**				**0**
Proposed					1				**1**			1		**1**	1		1	**4**

	Professional category and above								General Service and related categories								
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/ P-1	Total	Field Service	Principal level	Other level	Security Service	Total	Local staff	National officers	United Nations Volunteers	Grand total
UNMIK Reserved Departments																		
Department of Agriculture and Forestry (Former Department of Agriculture)																		
Current				1	2	1			**4**			2		**2**	3			**9**
Proposed					2	1			**3**			1		**1**	2		4	**10**
Department of Transport and Infrastructure																		
Current				1	1	4	4		**10**			3		**3**	5			**18**
Proposed				2	1	6	3		**12**			3		**3**	8		8	**31**
Department of Public Services																		
Current			1	2	7	18	20		**48**			13		**13**	30	1	196	**288**
Proposed				1		2	3		**6**			1		**1**	5		7	**19**
Department of Civil Security and Emergency Management (Former Department of Civil Security and Emergency Preparedness)																		
Current				1	2	8	3	2	**16**			5		**5**	27			**48**
Proposed				1	2	4	5		**12**					**0**	16		4	**32**
Abolished UNMIK offices and Joint Interim Administrative Structure departments																		
Office of Statistics																		
Current					1	1	1		**3**			1		**1**	2			**6**
Proposed									**0**					**0**				**0**
Department of Health and Social Welfare																		
Current				1	3	3	1		**8**			3		**3**	3			**14**
Proposed									**0**					**0**				**0**
Department of Youth																		
Current					1	1			**2**			1		**1**	2			**5**
Proposed									**0**					**0**				**0**

	Professional category and above								General Service and related categories							
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/ P-1	Total	Field Service	Principal level	Other level	Security Service	Total	Local staff	National officers	United Nations Volunteers	Grand total
Department of Sports																		
Current						1	1		2			1		1	2			5
Proposed									0			0		0				0
Department of Culture																		
Current					1	1	1		3			2		2	4			9
Proposed									0					0				0
Department of Post and Telecommunications																		
Current				1	1	3	3		8			3		3	5			16
Proposed									0					0				0
Department of Environmental Protection																		
Current					1	2	1		4			2		2	3			9
Proposed									0					0				0
Department of Labour and Employment																		
Current				1	1	2			4			2		2	3			9
Proposed									0					0				0
Department of Non-Resident Affairs																		
Current					1	1	1		3			1		1	3			7
Proposed									0					0				0
Department of Education and Science																		
Current				1	3	3	1		8			3		3	5			16
Proposed									0					0				0
Department of Local Administration																		
Current				1	2	4	2		9			3		3	6			18
Proposed									0					0				0
Moved to Police and Justice Pillar (Pillar I)																		
Department of Justice																		
Current			1	8	12	3	41	22	87			18		18	49			154

	Professional category and above								*General Service and related categories*								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Principal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volunteers*	***Grand total***
Transfer to Pillar I			-1	-8	-12	-3	-41	-22	**-87**			-18		**-18**	-49			**-154**
Proposed									**0**					**0**				**0**
Police																		
Current			1	1		2	1		**5**			1		**1**	1 645			**1 651**
Transfer to Pillar I			-1	-1		-2	-1		**-5**			-1		**-1**	-1 645			**-1 651**
Proposed									**0**					**0**				**0**
Ministries																		
Ministry of Transport and Communications																		
Current									**0**					**0**				**0**
Proposed					1	6	2		**9**			2		**2**	4		1	**16**
Ministry of Agriculture, Forestry and Rural Development																		
Current									**0**					**0**				**0**
Proposed				1	1	3			**5**			1		**1**	7		5	**18**
Ministry of Public Services																		
Current									**0**					**0**				**0**
Proposed				3	8	28	22		**61**			9		**9**	50		52	**172**
Ministry of Education, Science and Technology																		
Current									**0**					**0**				**0**
Proposed				1	2	11	5		**19**			3		**3**	11		10	**43**
Ministry of Labour and Social Welfare																		
Current									**0**					**0**				**0**
Proposed				1	2	12	3		**18**			3		**3**	8		4	**33**
Ministry of Health, Environment and Spatial Planning																		
Current									**0**					**0**				**0**
Proposed				1	4	10	3		**18**			4		**4**	12		10	**44**

	Professional category and above								*General Service and related categories*								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Principal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volunteers*	***Grand total***
Ministry of Culture, Youth and Sports																		
Current									**0**					**0**				**0**
Proposed					1	4			**5**			2		**2**	13		9	**29**
UNMIK Regional and Municipal Administrations																		
Community Affairs																		
Current									**0**					**0**				**0**
Proposed					1	3			**4**			1		**1**	4		1	**10**
Regional and Municipal Administrations																		
Current			2	3	26	160	139		**330**			81		**81**	349			**760**
Proposed			2	3	15	107	89		**216**			30		**30**	304		123	**673**
Total, Pillar II																		
Current		1	6	23	67	227	221	24	**569**	0	0	153	0	**153**	2 160	1	196	**3 079**
Proposed		1	3	15	42	206	136	0	**403**	0	0	67	0	**67**	457	1	243	**1 171**
Division of Administration																		
Office of the Director																		
Current			1			1			**2**			1		**1**	3			**6**
Proposed			1			1			**2**			1		**1**	3			**6**
Medical Service																		
Current					1	1	1		**3**	1				**1**	11		4	**19**
From General Services															15			**15**
Proposed					1	1	1		**3**	1				**1**	26		4	**34**
Security Section																		
Current						1	2	8	**11**	19		5	44	**68**	571			**650**
Reduction in posts															-50			**-50**
Proposed						1	2	8	**11**	19	0	5	44	**68**	521	0	0	**600**
Aviation Safety																		
Current						1			**1**	1				**1**	1			**3**
Proposed						1			**1**	1				**1**	1			**3**

	Professional category and above									General Service and related categories								
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/ P-1	Total	Field Service	Principal level	Other level	Security Service	Total	Local staff	National officers	United Nations Volunteers	Grand total
Regional Administrative Group																		
Current							5		5	4				4	10			19
Proposed							5		5	4				4	10			19
UNV Support Unit																		
Current									0			1		1	1		3	5
Proposed									0			1		1	1		3	5
Budget and Cost Control Unit																		
Current						1	1	1	3			2		2	3			8
Proposed						1	1	1	3			2		2	3			8
Administrative Services																		
Office of the Chief																		
Current				1		1	1		3	1		1		2	2			7
New Post						1			1									1
Proposed				1		2	1		4	1		1		2	2			8
Finance Section																		
Current					1	2	1	3	7	4	2	20		26	33			66
Proposed					1	2	1	3	7	4	2	20		26	33			66
Personnel Section																		
Current					1	3	2		6	4	2	14		20	27			53
Proposed					1	3	2		6	4	2	14		20	27			53
Procurement Section																		
Current					1	1	7		9			15		15	12			36
Proposed					1	1	7		9			15		15	12			36
General Services Section																		
Current					1	4	3	6	14	11	2	1		14	74			102
Redeploy to Justice — Pillar I								-5	-5					0				-5
Redeploy to Medical Services															-15			-15
Proposed					1	4	3	1	9	11	2	1		14	59			82

	Professional category and above									*General Service and related categories*								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Principal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volunteers*	***Grand total***
Language Unit																		
Current						1	2		**3**		1			**1**	13	10		**27**
Proposed						1	2		**3**		1			**1**	13	10		**27**
Technical Support Services																		
Office of the Chief																		
Current				1		1			**2**			1		**1**	1			**4**
Proposed				1		1			**2**			1		**1**	1			**4**
Logistic Operations Support Section																		
Current					1	3	3	2	**9**	13				**13**	19			**41**
Proposed					1	3	3	2	**9**	13				**13**	19			**41**
Supply Section																		
Current					1		5	1	**7**	15		5		**20**	57			**84**
Proposed					1		5	1	**7**	15		5		**20**	57			**84**
Engineering Section																		
Current					1	1	11		**13**	25		8		**33**	341			**387**
Redeploy to Belgrade Office							-1		**-1**									**-1**
Proposed					1	1	10		**12**	25		8		**33**	341			**386**
IT Section																		
Current						1	3	4	**8**	30				**30**	74			**112**
Redeploy to Justice — Pillar I										-1				**-1**				**-1**
Proposed						1	3	4	**8**	29				**29**	74			**111**
Communications Section																		
Current					1		1		**2**	63		1		**64**	81			**147**
Redeploy to Justice — Pillar I										-4				**-4**				**-4**
Proposed					1		1		**2**	59		1		**60**	81			**143**

	Professional category and above									*General Service and related categories*								
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/ P-1*	***Total***	*Field Service*	*Principal level*	*Other level*	*Security Service*	***Total***	*Local staff*	*National officers*	*United Nations Volunteers*	***Grand total***
Transport Section																		
Current					1		1		**2**	42		1		**43**	296			**341**
Redeploy to Belgrade Office														**0**	-2			**-2**
Proposed					1		1		**2**	42		1		**43**	294			**339**
Total Administrative Offices																		
Current			1	2	10	23	49	25	**110**	233	7	76	44	**360**	**1 630**	**10**	**7**	**2 117**
Proposed			1	2	10	24	48	20	**105**	228	7	76	44	**355**	**1 578**	**10**	**7**	**2 055**
Grand Total																		
Current	1	2	10	33	90	277	304	56	**773**	233	7	262	44	**546**	**3 858**	**11**	**203**	**5 391**
Proposed	1	3	10	32	92	276	306	56	**777**	233	7	262	44	**546**	**3 658**	**11**	**250**	**5 242**

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Fifty-sixth session
Agenda items 133 and 134 (b)

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the financial performance report for the period from 1 July 2000 to 30 June 2001 (A/56/822) and the proposed budget for the period from 1 July 2002 to 30 June 2003 (A/56/893) for the United Nations Interim Force in Lebanon (UNIFIL). During its consideration of the reports, the Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the Force, who provided additional information and clarifications.

2. UNIFIL was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for operations in southern Lebanon. The mandate of the Force has been extended by the Security Council in various resolutions, the latest being resolution 1391 (2002) of 28 January 2002, by which the Council extended the mandate of UNIFIL until 31 July 2002.

Financial performance report for the period from 1 July 2000 to 30 June 2001

3. By its resolution 54/267 of 15 June 2000, the General Assembly appropriated an amount of $146,833,694 gross ($141,899,841 net) for the maintenance of UNIFIL for the period from 1 July 2000 to 30 June 2001, inclusive of the amounts of $6,967,059 gross ($5,895,590 net) for the support account for peacekeeping operations and $1,089,216 gross ($969,161 net) for the United Nations Logistics Base at Brindisi, Italy. Subsequently, the Secretary-General submitted a report to the Security Council (S/2000/460) regarding the plans and requirements for the implementation of Council resolutions 425 (1978) and 426 (1978), including the proposed increase in troop strength from the level of 4,513 to approximately 5,600 and subsequently to approximately 7,935, in connection with the planned withdrawal of Israeli troops from Lebanon by July 2000. Accordingly, the

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Assembly, in its resolution 55/180 A of 19 December 2000, appropriated an additional amount of $86,758,400 gross ($86,301,300 net) for the provisional expansion of the Force.

4. Shortly after the adoption of resolution 55/180 A it was confirmed, however, that the budgeted deployment of two battalions early in 2001 would not occur. Furthermore, in view of the situation in the region, the Secretary-General proposed a reconfiguration of the Force, including a reduction in troop strength to the level prior to its augmentation in 2000. Therefore, the General Assembly by its resolution 55/180 B of 14 June 2001 decided to reduce the appropriation from the amount of $233,592,094 gross by $26,437,900, to $207,154,194 gross ($201,981,841 net) inclusive of the amounts of $6,967,059 gross ($5,895,590 net) for the support account and $1,089,216 gross ($969,161 net) for the Logistics Base.

5. As indicated in paragraphs 18 and 20 of the report (A/56/822), expenditures for the period from 1 July 2000 to 30 June 2001 totalled $183,811,094 gross ($179,058,941 net), inclusive of $77,782,000 in unliquidated obligations, resulting in savings of $23,343,100 gross ($22,922,900 net), or 11.3 per cent of the total appropriation of $207,154,194 gross. The unencumbered balance was due mainly to the termination of the expansion programme of the Force.

6. The Advisory Committee questions the appropriateness of including the amounts for the support account and the Logistics Base when calculating the percentage of unencumbered balance as against appropriation. The Committee has commented on this issue in its general report on peacekeeping operations (A/56/887).

7. The Advisory Committee was informed that troop-cost reimbursement from 1 December 1989 to 31 October 2001 totalled $1,019,717,840, while the amount owed for the period from 1 November 2001 to 28 February 2002 was $16,650,969. As regards contingent-owned equipment, the Committee was informed that, for the period from 1 June 1994 to 31 December 2001, the amount reimbursed was $6,400,764, the estimated amount owed was $14,803,577 and unliquidated obligations totalled $14,114,418. In respect of death and disability compensation for the period from 1 June 1994 to 31 December 2001, $19,976,920 had been paid as at 31 December 2001 for 439 claims, 4 claims were pending and unliquidated obligations amounted to $5,225,539.

8. The Advisory Committee was informed that as at 31 December 2001 the cash position of UNIFIL was $117 million and unliquidated obligations for the period from 1 July 2000 to 30 June 2001 amounted to $19,755,480, of which $12,773,352 were Government-related and $6,982,128 were not. Miscellaneous income for the period totalled $952,500 and comprised $541,900 relating to gains on exchange, $395,600 in general revenue, $14,900 for refunds of prior years' expenditure and $100 for royalties for the sale of medals. The total amount assessed on Member States for the period from 16 June 1993 to 31 March 2002 was $3,300.6 million, against which the payments received amounted to $3,184.8 million, leaving an outstanding balance of $115.8 million.

9. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 22 of the report. **The Advisory Committee recommends that the unencumbered balance of $23,343,100 gross ($22,922,900 net) for the period from 1 July 2000 to 30 June 2001, as well as the interest and other income in the amount of $12,482,000, be credited to Member States in a manner to be determined by the General Assembly.**

Information on performance for the current period

10. The Advisory Committee was also provided with information on performance for the current period. Against the authorized staffing establishment for the period from 1 July 2001 to 30 June 2002 of 4,057 troops, 144 international staff and 339 local staff, the positions encumbered as at 28 February 2002 were 3,649 troops, 130 international staff and 332 local staff. As at 28 February 2002, expenditure for the period amounted to $113,357,400 gross ($110,378,700 net).

Cost estimates for the period from 1 July 2002 to 30 June 2003

11. As indicated in paragraphs 1 and 2 of the report of the Secretary-General on the proposed budget of UNIFIL (A/56/893), estimated requirements for the period from 1 July 2002 to 30 June 2003 amount to $112,376,000 gross ($108,401,200 net), inclusive of budgeted voluntary contributions in kind amounting to

$333,500. The proposed budget represents a 17.9 per cent decrease ($24,440,100) in gross terms in relation to the apportionment for the period from 1 July 2001 to 30 June 2002 and reflects decreases of $30,379,300, or 35.5 per cent, in military personnel costs, $725,100, or 3.3 per cent, in operational requirements and $191,700, or 5 per cent, in staff assessment, offset by increases of $6,041,100, or 24.1 per cent, in civilian personnel costs and $682,600, or 194 per cent, in other programmes.

12. As indicated in paragraph 8 of the report, the budget proposal was prepared in accordance with the latest reconfiguration plan for the Force as outlined in the report of the Secretary-General of 16 January 2002 to the Security Council (S/2002/55), which involves reducing the troop strength of UNIFIL to approximately 2,000, all ranks, by January 2003. The estimated average troop strength for the budget period would be 2,527. The estimate also provides for 124 international staff and 305 local staff (see para. 10 above for current encumbency).

13. The proposed staffing level for the period reflects a decrease of 21 international posts and 34 local level posts, and the establishment of one P-3 level post for the Chief Medical Officer in the Office of Integrated Support Services, for a net decrease of 54 posts. Details concerning the posts to be abolished are given in paragraph 20 of the report. In this connection, the Advisory Committee recalls paragraph 11 of its report of 29 October 2001 (A/56/510 and Corr.1), in which it expressed concern that reductions in international staff posts in UNIFIL did not seem to be proportionate with reductions in military personnel. **However, in view of recent developments in the region, the Committee does not object to the level of staffing changes proposed.**

14. The Advisory Committee notes that the increase under civilian personnel is mainly attributable to the inclusion of a provision of $6,995,000 for the relocation of UNIFIL international staff from Israel to Lebanon (see A/56/893, annex I.C, para. 6, and annex II.A, item 10) on the basis of proposals prepared by the Department of Peacekeeping Operations. The Committee also notes, as indicated in paragraph 10 of annex I.C, that salaries for local staff are based on level 4, step 10, net of the salary scales applicable to Beirut effective 1 March 1998. Upon enquiry concerning the frequency of assessment of the salary scales, the Committee was informed that salary surveys were conducted annually and that the latest salary scale became effective on 1 July 2000. The estimated local staff salary for UNIFIL for 2002-2003 was nevertheless based on level 4, step 10, of the 1998 scale, which is roughly equivalent, in gross terms, to level 4, step 7, of the 2000 scale. A 5 per cent vacancy factor has been applied for international staff and, in view of past incumbency experience, no vacancy factor has been applied for local staff.

15. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 3 of the report. **The Advisory Committee recommends that the Assembly approve the appropriation of the amount of $112,042,500 gross ($108,401,200 net) for the maintenance of the Force for the 12-month period beginning 1 July 2002, to be assessed at a monthly rate of $9,336,875 gross ($9,033,433 net), subject to a decision by the Security Council to extend the mandate of the Force.**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 2000 to 30 June 2001 (A/56/813) and the proposed budget for UNDOF for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/832). During its consideration of the reports, the Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the mission, who provided additional information.

2. The United Nations Disengagement Observer Force was established by the Security Council in its resolution 350 (1974) of 31 May 1974 to supervise the ceasefire called for by the Council and by the agreement on disengagement between Israeli and Syrian forces for an initial period of six months. Its mandate has since then been extended and adjusted by the Council in subsequent resolutions, the latest being resolution 1381 (2001) of 27 November 2001, in which it extended the mandate of the Observer Force until 31 May 2002.

3. The Advisory Committee notes that amounts totalling $1,284.5 million have been assessed on Member States for the period from the Mission's inception until 15 February 2002, and that payments received total $1,259.6 million, leaving a shortfall of $24.9 million.

4. The Advisory Committee was further informed that cash balances as at 31 December 2001 amounted to $17.7 million. Troop-contributing countries have received payments totalling $155,826,398, covering the period from 1 December 1989 to 31 October 2001, and an estimated amount of $1,175,421 was still due for the period from 1 November 2001 to 28 February 2002 at the time of the Committee's hearings on the financing of the Observer Force in mid-March of 2002.

Performance report for the period from 1 July 2000 to 30 June 2001

5. The report of the Secretary-General on the financial performance of UNDOF for the period from 1 July 2000 to 30 June 2001 (A/56/813) also outlines the

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action to be taken by the General Assembly at its fifty-sixth session in connection with the financing of UNDOF.

6. As indicated in the report (ibid., para. 9 and table 2), total resources made available to UNDOF for the period from 1 July 2000 to 30 June 2001 amounted to $36,975,496 gross ($35,924,037 net), inclusive of $1,484,600 for the support account for peacekeeping operations and $244,100 for the United Nations Logistics Base at Brindisi, Italy. Expenditures amounted to $36,400,300 gross ($35,268,700 net), leaving an unencumbered balance of $575,100 gross ($655,300 net) — approximately 1.6 per cent of the amount appropriated. The Advisory Committee enquired about the appropriateness of including amounts for the support account for peacekeeping operations and for the United Nations Logistics Base at Brindisi when calculating the percentage of unencumbered balance in the financial performance reports as against appropriations. The comments of the Committee on this issue are contained in its general report on peacekeeping operations (A/56/887).

7. Upon enquiry, the Advisory Committee was informed that unliquidated obligations as at 31 December 2001 were reported at $3,033,234. Of that total, an amount of $1,521,508 was government-related, while $1,511,726 was non-government-related.

8. The Advisory Committee notes from table 2 of the report that overexpenditures are reported under military personnel ($588,900), other programmes ($19,600) and staff assessment ($80,200). Those overexpenditures are offset by considerable savings under operational requirements ($1,193,800) and civilian personnel ($70,000).

9. The Advisory Committee further notes that the savings realized are attributable mostly to civilian vacancies, which averaged 10 per cent for international staff compared with the full incumbency assumed in the budget, lower than budgeted requirements under rations because of the utilization of year-2000 stocks, favourable unit cost for vehicles purchased under the systems contract and lower requirements reported under vehicle spare parts and consumption of fuel. Those savings were utilized in large part to cover the urgent cost of replacing prefabricated buildings used as accommodations, which had exceeded their economic life and deteriorated to the point of becoming a health and safety hazard (ibid., para. 7). In this connection, the Committee notes the additional requirements of $796,000 reported under premises and accommodation for the replacement of prefabricated buildings as part of the UNDOF master plan for infrastructure improvement for the period 2001-2004 (ibid., annex I and annex II, para. 7; see also para. 20 below). The rest of the savings were used to cover additional requirements under local staff salaries, resulting from the salary increase effective 1 July 2000, which could not have been projected when the budget was prepared (see also para. 17 below).

10. Additional requirements amounting to $836,300, compared with the appropriated amount of $430,700 for the period, are reported under other requirements pertaining to military personnel. The Advisory Committee notes that this is due mostly to the unbudgeted obligation made for the settlement of anticipated claims of a troop-contributing Government for contingent-owned equipment and self-sustainment ($766,300) and higher than projected requirements to settle Governments' claims related to the previous financial period for injury, disability or illness of their contingent members ($70,000). As regards the overexpenditure on contingent-owned equipment, the Committee was informed that an obligation was created as a result of a troop contributor's offer for contingent-owned equipment and self-sustainment. However, since the memorandum of understanding was only signed on 1 October 2001, which does not fall within the period under review, the amount was liquidated, but it will be reported as savings on cancellation of prior period obligations in the next financial performance report.

11. The action to be taken by the General Assembly at its fifty-sixth session in connection with the financing of UNDOF is to decide on the treatment of the unencumbered balance of $575,100 gross ($655,300 net) for the period from 1 July 2000 to 30 June 2001 and on the treatment of other income for the period, which totals $2,264,000. **The Advisory Committee recommends that Member States be credited their respective shares of the unencumbered balance and other income for the period in question in a manner to be determined by the Assembly.**

Proposed budget for the period from 1 July 2002 to 30 June 2003

12. The cost estimates submitted by the Secretary-General in his report (A/56/832) amount to $38,991,800 gross ($38,072,000 net) for the period from 1 July 2002 to 30 June 2003. As indicated in that report, the proposed requirements represent a 12.9 per

cent increase in relation to the appropriation of $34,536,300 for the period from 1 July 2001 to 30 June 2002 (ibid., para. 2 and table 1). The increase in proposed resources is due to the establishment of three international staff posts, the continued replacement and upgrading of accommodations as required in the UNDOF three-year master plan and the acquisition and replacement of communication and observation equipment — also an integral part of the UNDOF modernization programme.

13. As indicated in the report, UNDOF, in order to carry out its mandate effectively, has initiated a modernization programme (ibid., paras. 13-16). The Advisory Committee was further informed that the resources contained in the proposed budget were based on this modernization programme, which does not alter the UNDOF mandate but which provides, instead, the maximum capability to fulfil it. The key components of the modernization plan are:

(a) A fresh approach to operations through the consolidation of some positions in the area of separation and enhancement of the mobility of the Force;

(b) The replacement of outdated facilities through a three-year master plan for infrastructure improvement (see paras. 19-20 below);

(c) The full integration of the military and civilian administration and the logistical components of the Force, including the integration of the Observer Group Golan of the United Nations Truce Supervision Organization with UNDOF operations.

14. An increase of $451,600, or 2.3 per cent, is shown under military personnel costs compared with the 2001/02 appropriation of $19,536,000. The net increase under this budget item results from additional requirements of $619,700, related mostly to standard troop cost reimbursement and clothing and equipment allowance, taking into account the provisions in General Assembly resolution 55/274 of 14 June 2001, offset by a decrease of $168,100 under other requirements pertaining to military personnel, resulting from the provision to cover potential claims for death, disability or injury of military personnel, based on past experience (ibid., annex I.C, paras. 1-5).

15. The proposed requirements under civilian personnel costs of $5,846,500 reflect an increase of $636,100, or 12.2 per cent, in relation to the current apportionment. The staffing requirements of the Observer Force provide for a total of 130 posts (41 international and 89 local), including 3 additional new posts (1 at the P-4 level for a Chief Civilian Engineer and 2 in the Field Service category for a Force Commander's driver and a general services assistant) (see A/56/832, para. 24).

16. The Advisory Committee was informed that the functions of the Chief Civilian Engineer were currently performed by military personnel who frequently rotate. The proposal is to establish this post in conjunction with the infrastructure renewal programme, thus assuring continuity in operations. As to the possibility of using local staff for the other two proposed posts, the Committee was informed that it would not be practical or advisable in view of the nature of the functions involved. **The Committee recommends acceptance of the proposal to establish the three new posts.**

17. The Advisory Committee was informed that, as at 28 February 2002, of the 38 international and 89 local authorized posts, 35 and 87 were encumbered respectively. The Committee notes that a 5 per cent vacancy rate factor had been applied to the international staffing requirements, as recommended by the Committee previously (see A/55/874/Add.1, para. 14), and that, based on past experience, no vacancy factor was applied to the local staffing requirements. The Committee was informed that there was a wealth of local qualified staff to draw upon when the rare vacancy occurs.

18. Account has been taken of the 5 per cent increase in local staff salaries effective as from 1 July 2001. In addition, a 5 per cent salary increase was also implemented effective 1 July 2000 (see A/56/813, para. 7). The Advisory Committee was informed, upon enquiry, that salary increases were implemented after the annual salary surveys were conducted by the United Nations Development Programme in the area. An amount of $15.93 per month, as a transport compensation element, is included in the local staff salary scales for UNDOF. Furthermore, the Committee was informed that as a special concession, transport was provided free of charge from Damascus to Camp Faouar. As to the relocation of UNDOF headquarters from Damascus to Camp Faouar in June 1994, which affected 64 local staff members, the Committee was informed that 63 of those staff members were still with UNDOF and that only one had resigned after coming back from a temporary duty station.

19. The estimated requirements for operational costs increase from $8,887,100 in the current budget period

(2001/02) to $12,088,900 during the period under review (2002/03) — a 36 per cent increase — including an amount of $7,660,900 for non-recurrent costs (A/56/832, table 1 and annex I.A). The Advisory Committee notes that the increase mostly reflects the funding requirements of the UNDOF modernization plan, mentioned in paragraph 13 above. A provision for $4,462,300 under premises and accommodation, including $3,505,000 for non-recurrent requirements, is incorporated for the infrastructure improvement project, in accordance with the three-year master plan (ibid., annex I.C, paras. 13-14). The increase in operational costs also includes a provision for $1,772,800 under communications related to the accelerated replacement programme, including $1,401,614 for non-recurrent requirements for the update of essential communication equipment (ibid., annex II.C). A provision for $1,600,600 under other equipment, including non-recurrent costs of $1,385,600, is requested for the replacement of data-processing equipment, including hardware and software, related to the upgrade and enhancement of the information technology infrastructure of the mission. These increases are offset by a decrease of $915,300 in the requirements for transport operations due to the scheduled replacement of fewer vehicles during the period in question.

20. The Advisory Committee recalls that it had commented briefly on the three-year construction plan (A/55/874/Add.1, para. 19) and that it had requested that detailed information, as well as total costs, be provided to the Fifth Committee. Upon enquiry, the Committee was informed that Headquarters had received the plan in September 2001, after the Advisory Committee and the Fifth Committee had reviewed the estimates for 2001/02. **The Committee regrets that, in spite of its request, the details and related costs were not submitted to the Fifth Committee. The Committee was finally provided with a copy of the master plan for infrastructure improvement during its consideration of the proposed budget.**

21. The Advisory Committee notes that the plan, which spans the years 2001 to 2004, has a total cost of $13,806,160. The Committee further notes that, of the total, an amount of $877,000 has already been charged to the 2000/01 financial period for the purchase of prefabricated buildings (see para. 9 above); an amount of $1,743,000 will be made available for the period 2001/02, through the budgeted provision of $310,000 (see A/55/778, annex I.C, para. 10) and intentional savings or redeployment of funds from the current construction account; an amount of $4,186,300 is included in the cost estimates for the period under review, specifically under premises and accommodation ($4,022,500) and civilian personnel ($163,800) for the Chief Civilian Engineer post, mentioned in paragraphs 15-16 above; and that the remaining balance ($6,999,860) will be included in the proposed budget for the period 2003/04.

22. **The Advisory Committee, nevertheless, requests that information on the progress made in implementing the modernization programme and the benefits to be achieved, including efficiency gains, be included in the report on the budget estimates for the period 2003/04.**

23. The Advisory Committee notes that UNDOF, in view of the level of its budget, does not meet the criteria for the establishment of a resident auditor. However, upon enquiry, the Committee was informed that the question of establishing a resident audit service for the Middle East in UNIKOM was under active consideration.

24. As to the objective-setting exercise, contained in section X of the proposed budget, the Committee is of the opinion that the objectives should have been defined as those of the various services implementing the modernization programme. The comments of the Committee regarding this exercise are contained in its general report on the financing of peacekeeping operations (A/56/887).

25. With respect to the action to be taken by the General Assembly at its fifty-sixth session in connection with the financing of UNDOF (see A/56/832, para. 3), **the Advisory Committee recommends approval of the Secretary-General's proposal that the Assembly appropriate the amount of $38,991,800 gross ($38,072,000 net) for the 12-month period beginning on 1 July 2002, to be assessed at the monthly rate of $3,249,316 gross ($3,172,666 net), subject to the extension of the mandate of the Force by the Security Council beyond 31 May 2002.**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Ethiopia and Eritrea

Financial performance report for the period from 31 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 for the United Nations Mission in Ethiopia and Eritrea

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 31 July 2000 to 30 June 2001 (A/56/840) and the proposed budget for the maintenance of the Mission for the period from 1 July 2002 to 30 June 2003 (A/56/862). During its consideration of the reports, the Committee met with representatives of the Secretary-General, as well as with the Chief Administrative Officer of the Mission, who provided additional information and clarification.

2. The Security Council established UNMEE by its resolution 1312 (2000) of 31 July 2000 for an initial period of six months. In paragraph 2 of its resolution 1320 (2000) of 15 September 2000, the Council extended the mandate of the Mission until 15 March 2001 and authorized the deployment within UNMEE of up to 4,200 troops, including up to 220 military observers. The mandate of the Mission has been extended by the Security Council in various resolutions, the latest being resolution 1398 (2002) of 15 March 2002, by which the Council extended the mandate until 15 September 2002 at the troop and military observer levels authorized in its resolution 1320 (2000).

Financial performance report for the period from 31 July 2000 to 30 June 2001

3. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 55/252 A of 12 April 2001, appropriated an amount of $180 million gross ($177,866,900 net) for the operation of the Mission for the period from 31 July 2000 to 30 June 2001, inclusive of the amount of $150 million gross ($148,220,200 net) previously authorized by the Assembly in its resolution 55/237 of 23 December 2000, inclusive of $9,190,200 gross ($8,741,600 net) for the support account for peacekeeping operations. As indicated in the report of the Secretary-General on the financial performance of UNMEE (A/56/840, para. 12), expenditures for the period totalled

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$164,106,000 gross ($162,204,000 net), inclusive of $94,597,000 in unliquidated obligations. The resulting unencumbered balance of $25,084,200 gross ($24,404,500 net) represents, in gross terms, approximately 13 per cent of the appropriation. The Committee questions the appropriateness of including the amount for the support account for peacekeeping operations when calculating the percentage of unencumbered balance against appropriation in financial performance reports. The Committee has commented on this issue in its general report on peacekeeping operations (see A/56/887).

4. As indicated in annex II to the report, the unutilized balance was primarily attributable to the delayed deployment of military observers, along with the reduction of the mission subsistence allowance rate in Eritrea, delayed deployment of military personnel, higher-than-estimated vacancy rates for international and local staff, the cancellation of the hazard allowance in Asmara, reduced requirements for transport and air operations, lower costs for communication equipment owing to the non-acquisition of mobile asset locator tracking systems and lower requirements for contractual services and quick-impact projects.

5. The Advisory Committee notes, as indicated in the report (A/56/840, para. 7 and annex II, paras. 1-3), that the underexpenditure of $5,335,700 in military personnel costs was due in large part to delays in the signing of memorandums of understanding. Upon enquiry, the Committee was informed that the Mission was no longer experiencing such long delays.

6. In addition, the mission subsistence allowance rate in Eritrea was decreased from $95 to $80, with effect from 1 May 2001, bringing the rate for Eritrea to the same level as that for Ethiopia (see ibid., para. 6). The Advisory Committee was informed that the resulting savings for the period amounted to $1,141,300. **The Committee stresses that the cost of living should continue to be the determining factor in setting mission subsistence allowance rates. The Committee trusts that the efficacy of the rates set will be borne out by experience.** The Committee has commented on this issue in its general report on peacekeeping operations (see A/56/887).

7. The Advisory Committee notes that while a 10 per cent vacancy factor had been applied to the budget for international staff for the period, the actual vacancy rate during the period was 39 per cent. For local staff, the vacancy factor used was 10 per cent, whereas the actual rate was 63 per cent (see A/56/840, annex II, para. 5). The savings under civilian personnel amounted to $4,260,400. The Committee was informed that the rates had improved considerably; as at 28 February 2002, the rates were 15 per cent for international staff, 5 per cent for local staff and 30 per cent for United Nations Volunteers.

8. The Advisory Committee was informed that all of the Mission's troop-contributing countries were under wet-lease arrangements. However, the additional performance material provided to the Committee showed overexpenditures under furniture and miscellaneous supplies for troop-contributing countries that were not self-sustained.

9. The Advisory Committee notes that the estimates for the period from 1 July 2002 to 30 June 2003 show a provision for air-conditioned accommodation units (see para. 33 below) . The Committee was informed that in such instances the memorandums of understanding were not amended; rather, recovery was made from the reimbursement to the troop-contributing country concerned. In this connection, the Committee recalls that in its report on the United Nations Mission in Sierra Leone of 14 November 2001, the Committee stated its view that the matter of timely modification of memorandums of understanding to reflect instances where the United Nations has taken over functions that contingents had been expected to provide themselves needs to be reviewed urgently (see A/56/621, para. 19). In reply, the Secretariat agreed that the timely amendment of memorandums of understanding was important to ensure accurate financial estimates and expressed its intention to renegotiate memorandums of understanding if permanent differences are established between the agreed requirements and actual capabilities that will significantly impact financial estimates (see A/56/855, annex IV, para. 3).

10. Upon request, the Advisory Committee was provided with details concerning items provided by UNMEE to military contingents (see annex I). The Committee was informed that reimbursement for assistance rendered was based on the rates contained in the Contingent-owned Equipment Manual. The Committee has commented on this issue in its general report on peacekeeping operations (see A/56/887).

11. The Advisory Committee recalls its previous report on UNMEE, in which it discussed the issue of

contingent-owned equipment and self-sustainment (A/56/661, para. 22). The Committee was informed at the time that non-reimbursable items were identified during the verification process.

12. **The Advisory Committee expresses concern regarding the administrative workload involved in monitoring and tracking the expenditure for assistance contributed by the United Nations**. The Committee was informed that an attempt had been made to charge an administrative fee of 14 per cent; however, owing to protests on the part of the troop-contributing countries concerned, the decision to levy the fee was not implemented.

13. An underexpenditure of $13,713,300, or 14.5 per cent, is reported under operational requirements, including $3,195,800 under air operations (A/56/840, annex I). Savings under air operations were attributable mainly to the delayed deployment of helicopters to the mission area and a lower number of flying hours than were budgeted (ibid., annex II, paras. 16-18). **The Advisory Committee requests that, in future, reasons be provided for late deployment, as well as for such large variances in the number of hours flown as compared with the number budgeted. A clear indication should also be given in the subsequent budget estimates as to how past patterns in the number of hours flown are taken into account in the preparation of the estimates.**

14. The Advisory Committee discussed with the representatives of the Secretary-General the issue of the criteria used to determine whether to use letter-of-assist arrangements or commercial contracts for aircraft. The Committee was informed that the criteria were as follows: (a) acceptance by troop-contributing countries of the request; (b) more economical commercial contracts in certain cases; (c) unwillingness of commercial air-charter companies to enter into a contract owing to problems related to risk coverage in certain flying sectors; and (d) mission-specific requirements and time constraints that affect the operational readiness of the Mission.

15. The Advisory Committee was also provided with details concerning the arrangements for the air fleet in the Mission (see annex II). The Committee observes, however, that there does not seem to be a consistent policy in place. The Committee was informed, for example, that an international company based in Nairobi could offer medical evacuation at a reasonable price, whereas the Mission uses two aircraft under letter-of-assist arrangements for this purpose. (See also the comments of the Committee on air operations in its general report on peacekeeping operations (A/56/887).)

16. The Advisory Committee recalls that in its previous report, it noted with concern that no progress had been made in the implementation of its recommendation to establish a direct flight link between Addis Ababa and Asmara (A/56/661, para. 14). The Committee notes from the progress report of the Secretary-General on Ethiopia and Eritrea that there still has been no progress in this regard and that the resulting additional expenses to the Mission so far totalled more than $1.4 million (S/2002/245, para. 11).

17. The Advisory Committee was informed that savings of $1,553,100 were realized owing to the use of United Nations aircraft for the rotation of staff officers and the emplacement of troops of one troop-contributing country. **The Committee welcomes this development and encourages other missions to use United Nations air assets for the emplacement, rotation and repatriation of troops wherever possible.**

18. The Advisory Committee notes from the performance report that the savings of $2,653,600 under communications was attributable mainly to lower requirements for communications equipment owing to the fact that the Mission had decided not to acquire the mobile assets locator tracking systems or the two single-site cellular systems. The mobile assets locator tracking systems, upon re-evaluation, were determined not to be cost-effective, and therefore were not purchased. With regard to the two single-site cellular systems, it was found that the quality of the commercially available global system for mobile communications was reliable and more cost-effective (A/56/840, annex II, para. 19).

19. The Advisory Committee was informed that, as at 31 January 2002, a total of $333,781,073 had been assessed on Member States in respect of UNMEE since its inception. Payments received as at the same date amounted to $205,367,036, leaving an outstanding balance of $128,414,037. As at 31 December 2001, the cash position of the Mission was $55.9 million, and unliquidated obligations for the period from 1 July 2000 to 30 July 2001 (as at 31 January 2002) amounted

to $94,590,569. Current loans amounted to $19.0 million.

20. The Advisory Committee was informed that troop-cost reimbursement up to 31 October 2001 totalled $39,517,629, while the amount owed for the period from 1 November 2001 to 28 February 2002 was $16,783,403. With regard to contingent-owned equipment, the Committee was informed that, as at 31 January 2002, an amount of $11,594,392 had been reimbursed and the estimated amount owed was $25,103,258, while unliquidated obligations totalled $26,066,733. In respect of death and disability compensation, $50,000 had been paid as at 31 January 2002 for one claim; there were no pending claims, and unliquidated obligations amounted to $1,497,140.

21. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 31 July 2000 to 30 June 2001 is indicated in paragraph 16 of the report. **The Advisory Committee recommends that the unencumbered balance of $25,084,200 gross ($24,404,500 net) for the period from 31 July 2000 to 30 June 2001, as well as interest and other income in the amount of $858,000, be credited to Member States in a manner to be determined by the Assembly.**

Information on performance for the current period

22. The Advisory Committee was informed that, against the authorized staffing establishment of UNMEE for the period from 1 July 2001 to 30 June 2002 of 3,980 military contingent personnel, 220 military observers, 257 international staff, 274 local staff and 82 United Nations Volunteers, the positions encumbered as at 28 February 2002 were 3,771 military contingent personnel, 214 military observers, 219 international staff, 259 local staff and 57 United Nations Volunteers.

23. The Advisory Committee was provided with expenditure data for the period from 1 July 2001 to 30 June 2002 as at 31 January 2002. Expenditure for the period amounted to $109,311,600 gross ($108,694,400 net) against an apportionment of $198,400,000 gross ($194,489,900 net).

Cost estimates for the period from 1 July 2002 to 30 June 2003

24. As indicated in the report of the Secretary-General on the proposed budget of UNMEE (A/56/862, paras. 1-2 and table 1), the cost of maintaining the Mission for the period from 1 July 2002 to 30 June 2003 is estimated at $220,830,200 gross ($216,814,800 net). This amount represents an 11.3 per cent increase ($22,430,200) in gross terms in relation to the apportionment for the period from 1 July 2001 to 30 June 2002. The proposed budget reflects increases of $8,243,000, or 7.3 per cent, in military personnel costs; $1,829,300, or 6.5 per cent, in civilian personnel costs; $12,072,600, or 24.1 per cent, in operational requirements; $180,000, or 4.5 per cent, for other programmes; and $105,300, or 2.7 per cent, for staff assessment.

25. The estimate provides for 220 military observers, 3,980 military contingent personnel, 259 international staff, 274 local staff and 82 United Nations Volunteers (see para. 22 above for the current incumbency).

26. The Advisory Committee was informed that the increase under military personnel costs from the appropriation of $112,329,200 for the period from 1 July 2001 to 30 June 2002 to the estimate of $120,572,200 for the period from 1 July 2002 to 30 June 2003 was based on the full deployment of 4,200 military personnel. **The Committee questions the assumption of 100 per cent incumbency for such personnel. The information provided to the Committee showed, for example, that in fact only 95 per cent of such personnel were in place as at 28 February 2002 owing to delayed deployment. Accordingly, the estimate could be adjusted by at least $3 million, or 2.5 per cent of the $120.6 million requested. However, in view of the additional requirements that may arise in connection with the boundary demarcation process, the Committee does not, at the present stage, recommend a reduction in the estimate for military personnel.**

27. The estimated requirements for civilian personnel amount to $29,787,300, an increase of $1,829,300, or 6.5 per cent (see A/56/862, table 1). The estimates take into account a 10 per cent vacancy factor, as well as a hazardous duty station allowance. The proposed changes in staffing requirements (see ibid., sect. VIII) reflect a net increase of two posts, and include requests for one new P-4 post for an HIV/AIDS officer, the

upgrading of the P-3 post of Special Assistant to the Deputy Special Representative of the Secretary-General in Addis Ababa to the P-4 level to bring it in line with the corresponding post in Asmara and one new Field Service post for an aviation safety assistant. **The Advisory Committee has no objection to the new P-4 post for an HIV/AIDS officer or to the upgrading of the P-3 post to the P-4 level; however, the Committee is of the opinion that, given the amount of training that has been undertaken in the Mission (see also para. 36 below), the aviation safety assistant post should be filled by one of the staff members who have been trained by the Mission.**

28. The Advisory Committee notes that the budgeted level for local staff is G-4, step IV (see ibid., annex II.A, items 12 and 13). The Committee enquired about the use of that level and recalled the experience of other missions, which had shown the level to be higher than warranted. The Committee was informed that there was competition with other agencies in the area, which tended to offer higher pay, often recruiting at the equivalent of the G-5 to G-7 level. In addition, the Mission often loses the staff it has trained. In this connection, the Committee was informed that once demobilization begins it is likely that a larger pool of candidates will become available and that the level budgeted could potentially decrease. **The Committee recalls its request in its previous report that the next budget submission for UNMEE include information on cooperation with United Nations agencies, funds and programmes present in the area of operation (A/56/661, para. 19). This issue is not addressed in annex IV to the proposed budget. The Committee trusts that this matter will be discussed with a view to adopting a mutually beneficial position.**

29. With regard to contingent-owned equipment, the Advisory Committee observes that the mission factors intended to compensate troop-contributing countries for extreme operational conditions in the mission area, in particular those for intensified operational conditions and for hostile action and/or forced abandonment, appear high (see A/56/862, para. 22). Upon enquiry, the Committee was informed that a review was under way to establish a policy for the regular review of those factors.

30. The Advisory Committee recalls that in its previous report it requested that the adequacy of the verification capacity and arrangements of UNMEE with respect to contingent-owned equipment and self-sustainment be examined (A/56/661, para. 22). The Committee notes the reply given in the budget document, that the UNMEE verification system had been functioning adequately and made use of available personnel resources from both the military and civilian components (A/56/862, annex IV, para. 3). Upon further clarification, the Committee was informed that UNMEE had three international, two military and one local staff for this purpose. This capacity is to cover 7 troop-contributing countries with 13 units requiring 2 reports each. The Committee was also informed that the seven reports on troop strength were compiled, maintained and monitored by one person (military). Thus, a total of 33 reports, including the 7 on troop strength, are submitted to Headquarters every month in accordance with the Contingent-owned Equipment Manual. It appears that the Mission is able to produce its verification reports with a minimum of staff. **In the opinion of the Committee, the verification operations of UNMEE could provide lessons for establishing benchmarks for other missions.**

31. The Advisory Committee notes from the fourth report of the Eritrea/Ethiopia Boundary Commission that the Commission intends to render its decision on delimitation in the first half of April 2002 (S/2002/245, annex I, para. 4). As indicated in the report of the Secretary-General to the Security Council of 13 December 2001, the subsequent demarcation process is expected to be a rather complex, large and costly enterprise (S/2001/1194, para. 33). Upon enquiry, the Committee was informed that it would not be possible to plan for the eventual downsizing of UNMEE until the commencement of the demarcation process and until its likely duration was known. **In this connection, the Committee requests that the next budget estimate provide information on the role of UNMEE in the demarcation process, if any, including the cost of assistance to be provided.**

32. As shown in table 1 of the budget document, the estimate of $62,247,700 for operational requirements represents a 24.1 per cent increase over the appropriation of $50,175,100 for the previous financial period. The estimate includes $10,346,400 for non-recurrent costs relating to premises and accommodation ($3,057,500), infrastructure repair ($225,000), transport operations ($237,900), communications ($947,100), other equipment ($2,588,900) and air and surface freight ($3,290,000).

33. Upon enquiry, the Advisory Committee was informed that the $3,057,500 requested for non-recurrent costs under premises and accommodation was related to the planned increase from 12 to 29 sites in the temporary security zone. The amount would cover the cost of construction of five new wells for existing and new locations and the cost of 350 air-conditioned accommodation containers for the Italian battalion (see A/56/862, annex I.C, para. 16). The Committee exchanged views with the Chief Administrative Officer of the Mission on the procurement of air-conditioned containers. **The Committee requests that future budget estimates provide full justification and clear reasons whenever it is decided to upgrade accommodation either for the civilian or the military component of this or another mission.**

34. The Advisory Committee was informed that a decision had been taken to dismantle the United Nations-owned mission headquarters in the Economic Commission for Africa compound and to rent new premises at a cost of $15,000 per month, or $180,000 per year. The Committee was also informed that the total number of staff at Addis Ababa was 38 and that the premises to be dismantled comprised 37 containers, 34 of which would be made available for use by one of the mission battalions in Assab. Upon enquiry, the Committee was informed that the ancillary charges relating to the new headquarters in Addis Ababa would amount to $9,650 in recurrent monthly costs and $49,805 in non-recurrent costs for alterations and renovations (see annex III). The Committee notes, however, that those figures do not include recurrent costs for additional security for the new premises. Furthermore, during its meetings with the representatives of the Secretary-General, the Committee was informed that the total cost of the move to new premises would amount to $990,775. The Committee sought, but did not receive, a clarification concerning the relationship between the figures shown in annex III and the total figure of $990,775. The Committee requests that a clarification, as well as information concerning recurrent costs for additional security for the new premises, be provided to the Fifth Committee for its consideration in the context of the UNMEE budget.

35. **In view of the progress made by the Boundary Commission (see para. 31 above) and the likelihood that the Mission may begin downsizing next year, the Advisory Committee considers the decision to rent new premises and the costs involved in short- and long-term rentals to be without operational justification. Furthermore, the Committee sees no adequate justification to have proceeded with this change without first including a proposal in the budget estimate for the Mission. The Committee would like to draw attention to the fact that although the General Assembly authorizes the Secretary-General to exercise flexibility in implementing the overall budget appropriated for this and all other missions, that flexibility must be exercised in a manner that does not call into question the basis on which the initial estimate had been prepared and submitted to the Assembly. Cost overruns for items included in the estimates approved by the Assembly on the basis of recommendations of the Advisory Committee must not be confused or equated with the initiation of completely new projects that have no adequate operational justification in terms of mandate implementation.**

36. The estimates include $4,207,600 for other programmes, including $626,500 for public information programmes, $393,400 for training and $3,187,700 for mine-clearing programmes. With regard to training, the Advisory Committee recalls that for the period from 31 July 2000 to 30 June 2001, $67,600 was spent of the $136,900 appropriated, and 10 staff out of the 18 provided for were trained (see A/56/840, annex II, para. 29). For the period from 1 July 2001 to 30 June 2002, the budget estimate included provision for 46 personnel at a cost of $399,300 (see A/56/610, annex II.A). In the estimate for the period from 1 July 2002 to 30 June 2003, the request is for training of 57 personnel at a cost of $393,400. Thus, in the three years mentioned, a total of 113 staff, or more than the entire Professional establishment of 110 staff, will have undergone training. The Committee notes that for the period ending 30 June 2002, 10 staff were to be trained in data processing, 15 in communications and 5 in air operations. For the period ending 30 June 2003 the corresponding figures are 14 in data processing, 10 in communications and 9 in air operations. The Committee points out, in this connection, that the number of staff to be trained in data processing for the two-year period totals 24. The number of Professional and Field Service posts for the Electronic Services Section during both financial periods is 23 (see A/56/610, annex VI, and A/56/862, annex V). **The Committee recommends that, in future, missions**

should, to the extent possible, train trainers for some of the services of the Mission. This would obviate the need to train relatively large numbers of personnel from the same service in locations outside the Mission.

37. An estimate of $3,187,700 is proposed for mine-clearing programmes (see A/56/862, annex I.C, para. 31). The Advisory Committee was informed that this amount did not include additional funding that could arise from the boundary demarcation process. **The Committee requests that additional information on this issue be provided in the next budget estimates.**

38. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 3 of the report. **The Advisory Committee recommends that the Assembly approve the appropriation of the amount of $220,830,200 gross ($216,814,800 net) for the maintenance of the Mission for the 12-month period beginning 1 July 2002, to be assessed at a monthly rate of $18,402,517 gross ($18,067,900 net), subject to the extension of the mandate of the Mission by the Security Council.**

Annex I

Items provided by the United Nations Mission in Ethiopia and Eritrea to various troop-contributing nations as at 14 March 2002

Contingent	*Commodity*	*Quantity*	*Cost*	*Period*	*Category as per memorandum of understanding*	*Remarks*
Bangladesh, Engineers	Refrigerator container	1	$900 per month	From 12 February 2001 to date	Self-sustainment, catering	Shared with the Jordanian battalion for the period from 12 February 2001 to date. Cost to be shared 80:20, and costs to be deducted from reimbursement.
Kenya, infantry	Refrigerator container	4	$900 per month	1 from 12 February, 1 from June, 1 from March and 1 from September 2001 to date	Self- sustainment, catering	Costs to be deducted from reimbursement.
	Tents	306	$22.60 per person per month	From 1 July 2001 to date	Self-sustainment, tentage	Reflected in the verification report in terms of person-months. New rates are applied as approved by the General Assembly. Costs to be deducted from reimbursement.
	Flack jackets	606	$250 each	From 1 July 2001 to date	Personnel costs	Cost to be recovered from personnel costs.
	Helmets	606	$97 each	From 1 July 2001 to date	Personnel costs	Cost to be recovered from personnel costs.
India, infantry	Refrigerator container	6	$900 per month	3 between 2 and 5 July 2001 to date and 3 from December 2001 to date	Self-sustainment, catering	Cost to be recovered from self-sustainment reimbursement.

Annex II

Air fleet arrangements

Type of aircraft	*Letter-of-assist*	*Commercial contract*	*Block hours budgeted*	*Remarks*
Helicopters				
M18 MTV	-	Yes	45	Cost-effective
M18 MTV	-	Yes	45	Cost-effective
Casevac/Medevac	Yes, French	-	12	Meets medical and casualty evacuation requirement
Bell-212	Yes, Italian	-	40	Commercial contract not available due to insurance-related issues
Fixed-wing aircraft				
AN-26	-	Yes	60	Cost-effective
HS-125	-	Yes	30	Cost-effective
C-160	Yes, French	-	12	Meets medical and casualty evacuation requirement
G-222	Yes, Italian	-	60	Commercial contract not available due to insurance-related issues
P-166	Yes, Italian	-	50	Cost-effective
IL-76	Yes, Ukrainian	-	25	Cost-effective

Annex III

Ancillary charges for new headquarters building in Addis Ababa

Non-recurrent costs	*Birr*	*United States dollars*
Alteration and renovation		
Partitions	91 881	
Openings and doors	15 100	
Plank ceilings, canopies for entrance, flagpole, signboard, etc.	38 852	
Aluminium and metal grill	40 800	
Fencing of compound	45 000	
Carpeting	5 700	
Plumbing	16 850	
Painting	1 266	
Soundproofing of radio studio	6 182	
2 flushtype doors	6 000	
Flat iron bracket to safe	1 000	
Windows	4 000	
Supply and installation of draperies and curtains	32 080	
Subtotal	**304 711**	**35 605**
Upgrade of electrical system		8 500
One-time cleaning, polishing, etc.		5 700
Total, non-recurrent costs		**49 805**
Recurrent monthly costs		
Maintenance supplies (standard 15% of rent)		2 250
Maintenance services (standard 15% of rent)		2 250
Utilities		
Water		300
Electricity		3 000
Cleaning services		
Janitorial		1 500
Garbage collection		350
Total, recurrent monthly costs		**9 650**

Note: The current contract for cleaning services is for two months only. UNMEE is asking for bids for this contractual service.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General containing the financial performance report for the United Nations Logistics Base at Brindisi for the period from 1 July 2000 to 30 June 2001 (A/56/760) and the proposed budget for the Logistics Base for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/871). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The United Nations Logistics Base at Brindisi (UNLB) has been operational since late 1994, carrying out tasks relating to the maintenance of two mission start-up kits in a state of readiness for deployment at short notice, offering services directly related to assets management, including the refurbishment, maintenance and storage of serviceable assets from field missions under liquidation, as well as providing communications support to the United Nations, to peacekeeping operations and missions worldwide, and to several specialized agencies through the global satellite network.

Financial performance for the period from 1 July 2000 to 30 June 2001

3. As indicated in paragraph 3 of the performance report (A/56/760), the General Assembly, in its resolution 54/278, approved the cost estimate of $9,317,400 for the financing of UNLB for the period 2000-2001. The General Assembly also decided to apply the unencumbered balance of $451,800, the interest income of $114,000 and the miscellaneous income of $1,166,000 ($1,731,800 in total) for the period from 1 July 1998 to 30 June 1999 to the resources required for the period from 1 July 2000 to 30 June 2001 and to prorate the remaining balance of $7,585,600 among the individual active peacekeeping operation budgets to meet the financing

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requirements of the Logistics Base during the period 2000/01. Those amounts, as reflected in the respective performance reports of each individual mission, are shown in table 1 of document A/56/760.

4. As indicated in paragraph 13 of the performance report, expenditure for the period 2000/01 amounted to $7,755,000, including unliquidated obligations of $2,373,900. The unencumbered balance of $1,562,400 resulted mainly from variances in civilian personnel costs, operational requirements and staff assessment. The Committee was informed that unliquidated obligations had been further reduced to $669,750 as at 31 December 2001.

5. The unutilized balance of $851,600 for civilian personnel costs was due mainly to an average vacancy rate of 29 per cent among international staff and the effect of fluctuations in exchange rates on local salaries. As indicated in paragraph 1 of annex II to the performance report, the high vacancy rate was due to delays in recruitment arising from difficulties in attracting qualified staff to the duty station and to the absence of staff on temporary assignment to missions. The Committee recalls that the staffing component authorized for the period 2000/01 included 23 international posts (10 Professional and 13 Field Service) and 83 locally recruited staff.

6. The Committee sought clarification as to the difficulties that, according to the Secretariat, were experienced in attracting qualified staff to the duty station. It was informed that the difficulties are mainly attributable to the fact that no post adjustment is added to the base salary of staff at Brindisi and to the fact that although UNLB is designated a "family" duty station, capabilities for educating children in languages other than Italian are limited.

7. The Committee enquired about the possibility of resorting to the use of national professional officers in the operation of UNLB. The Committee was informed during its deliberations that provisions of General Assembly resolution 49/223 impose certain restrictions on the use of national professional officers. **The Committee points out in this connection that the Secretariat's interpretation of the provisions of General Assembly resolution 49/223 does not appear to be either accurate or relevant to UNLB operations and activities. It is the view of the Advisory Committee that these provisions of the resolution are applicable more appropriately to peacekeeping operations in the field than to support activities such as those undertaken by UNLB. The Committee points out that experience of the United Nations funds and programmes, as well as of United Nations information services, shows that national professional officers can be extensively used in many positions that do not require policy or senior management responsibilities.**

8. The Committee sought information on the total number of work-months during which UNLB staff members were temporarily assigned to other missions and on the reasons for the assignments. The Committee was informed that staff were assigned to assist with the start-up of new missions and/or provide technical support or assistance (e.g., Field Assets Control System implementation, mechanical expertise, general technical expertise and training) during the period from 1 July 2000 to 30 June 2001. For the period from 1 July 2000 to 30 June 2001 staff were on temporary duty assignment for a total of 36.8 work-months, and as at 31 March the total for the period from 1 July 2001 to 30 June 2002 was 8 work-months.

9. Information on incoming and outgoing shipments and on the number of receiving and inspection reports is contained in paragraphs 5 and 6 of the performance report. The Committee was also provided, upon request, with the following statistics for the period from 1 July 2001 to 31 March 2002:

(a) 836 receiving and inspection reports;

(b) 293 outgoing shipments valued at $59,716,816 weighing 5,044,360 kilos;

(c) 663 incoming shipments valued at $64,042,062 weighing 3,891,900 kilos.

10. The Advisory Committee notes from paragraph 12 of the performance report that the Logistics Base is increasingly involved in providing air support to peacekeeping missions; as indicated therein, the Logistics Base used eight IL-76 fixed-wing aircraft, provided to the United Nations Organization Mission to the Democratic Republic of the Congo (MONUC) under letters of assist, for the transport of large quantities of goods between the Logistics Base and the United Nations Mission in Sierra Leone (UNAMSIL), MONUC and the United Nations Mission in Ethiopia and Eritrea (UNMEE), as well as for transport services to the United Nations Truce Supervision Organization (UNTSO), the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Mission in Bosnia and Herzegovina (UNMIBH), the United Nations Transitional Administration in East Timor (UNTAET) and the International Civilian Support Mission in Haiti (MICAH). The Committee was also informed, upon enquiry, that the feasibility of using the Logistics Base for other air support services, including troop emplacement, troop rotation and medical evacuation, is being considered. **The Committee welcomes this development and requests that the next budget performance report contain information on the funding and management of air support services at UNLB. The Committee also urges the Secretariat to explore opportunities for closer cooperation and collaboration with United Nations funds and programmes in using air assets to mutual benefit.** In this connection, the Committee was informed that discussions on this matter are under way with the World Food Programme.

11. **The Committee trusts that as the Logistics Base expands its operations it can avoid the cumbersome processes and inefficiencies that have sometimes been experienced. The Committee was informed, for example, that in processing the transfer of assets from missions under liquidation, delays often occurred because of protracted discussions about which account should bear the cost involved. The Committee was also informed that it may be necessary to perform more than one receipt inspection in the context of trans-shipment activities — to report once at UNLB and then again at a receiving mission when assets arrive from vendors. Another potential source of delays would be inter-mission invoice activities, about which the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions have commented extensively in the past in connection with the mutual billing activities of the United Nations and its funds, agencies and programmes.**

12. **The Advisory Committee recommends acceptance of the Secretary-General's proposal contained in document A/56/760, paragraph 15, to apply the unencumbered balance of $1,562,400, interest income of $323,000, other/miscellaneous income of $35,000 and savings on or cancellation of prior**

period obligations of $285,000 to the resources required for the period from 1 July 2002 to 30 June 2003.

Cost estimates for the period from 1 July 2002 to 30 June 2003

13. Estimated requirements of $16,178,400 gross ($14,796,300 net) are proposed for the maintenance of the Logistics Base for the period from 1 July 2002 to 30 June 2003. This represents an increase of $7,195,800 in total gross resources (80.1 per cent) in relation to the apportionment for the period from 1 July 2001 to 30 June 2002. As indicated in paragraph 3 of the report of the Secretary-General on the proposed budget for the Logistics Base (A/56/871) the increase reflects post and non-post resources required to undertake the increased level of activities arising from the revised concept of operations for the Logistics Base.

14. Section II of the report on the proposed budget, entitled "Revised concept of operations", provides information on the role of UNLB, which, in addition to its current main functions, would include responsibilities for managing and maintaining the reserve of strategic deployment stocks, subject to the approval by the General Assembly of the concept proposed in the Secretary-General's report on strategic deployment stocks (A/56/870). **The Advisory Committee points out that what is actually happening is an expansion of the scope of operations to accommodate strategic deployment stocks, rather than a fundamental change in the concept of responsibility. The Advisory Committee notes that in the Secretary-General's report on the proposed budget for UNLB, strategic deployment stocks activities at the Logistics Base are proposed to be established as a separate programme. The Advisory Committee is of the opinion that additional functions and activities related to strategic deployment stocks should be integrated into the existing programmes of UNLB. A number of its comments and recommendations in the paragraphs below reflect this view.**

15. The Advisory Committee notes a slight improvement in the presentation of the programmatic part of the proposed budget for UNLB. For example, table 2 and supplementary information in annex I.D to the proposed budget provide a breakdown of resources by programme. **The Committee is of the view, however, that the presentation should be further improved; consistent with what is stated in paragraph 14 above, the strategic deployment stocks, subject to approval by the General Assembly, should no longer be presented as a separate programme. Moreover, supplementary information in annex I.D to the budget document should be presented in a comprehensive manner, reflecting objectives, resources, staff and non-staff costs, and outputs.**

16. The proposed staffing requirements for UNLB provide for the establishment of 80 new posts, including 33 (5 international and 28 local) for the six programmes of the Logistics Base and 47 (13 international and 34 local) for the strategic deployment stocks. The table below provides a breakdown of the additional posts by grade and programme.

Programme	*D-1*	*P-4*	*P-3*	*Field Service*	*Local*	*Total*
Administration	-	1	-	2	10	13
Supply/trans-shipment	-	-	-	-	7	7
Training	-	-	-	-	-	-
Maintenance of assets and facilities	-	-	-	-	6	6
Communications/electronic data processing	-	-	-	-	5	5
Air operations	-	-	1	1	-	2
Strategic deployment stocks	1	6	3	3	34	47
Total	**1**	**7**	**4**	**6**	**62**	**80**

17. With regard to the 33 additional posts for UNLB functions, the Committee notes from paragraph 9 of the Secretary-General's report (A/56/871) that "the Logistics Base has continued to witness a surge in its activities and responsibilities aimed at providing various services to all peacekeeping missions. These activities will continue to expand during the budget period. It is therefore proposed that additional core posts be established for functions that are of a continuing nature." **The Committee points out that the staffing proposal for UNLB functions should have been substantiated by workload statistics. Moreover, the separate presentation of the 47 posts proposed for strategic deployment stocks makes it difficult to understand the relationship between workload involved in strategic deployment stocks activities and existing workload entailed by the other functions carried out in the various units described in paragraphs 3-50 of annex I.D to the Secretary-General's report.**

18. The Committee was informed that the proposal for additional posts for "core" UNLB functions represents a conversion of work-months previously funded from general temporary assistance into 28 established local posts; there is also a proposal for one additional P-4, one P-3 and three Field Service posts. The Advisory Committee was further informed that requirements for local staff, related to the Base's "surge" support to missions, are currently charged to mission budgets as general temporary assistance. According to the Secretariat, this category of expenditure totalled $872,495 during the period from 1 July 2000 to 20 June 2001, broken down as follows in United States dollars:

United Nations Observer Mission in Angola	261 524.40
MONUC	253 965.50
UNAMSIL	93 202.40
UNMIK	71 485.60
UNTAET	32 520.10
United Nations Mission of Observers in Tajikistan	120 718.50
UNMEE	39 078.40

19. However, the Committee was informed, upon enquiry, that the establishment of the 28 posts would result in an increase of $1,102,200 in civilian personnel costs in the UNLB budget. **The Committee is not convinced that a case has been made for changing the current mechanism of financing the "surge" activities of UNLB. Therefore, the Committee does not recommend approval of the additional 28 local posts. Moreover, the Committee did not find adequate justification for the additional P-4 post requested for administration and therefore recommends against it. However, the Committee recommends the establishment of one P-3 and one Field Service post for air operations and two Field Service posts for administration (for a finance officer and a security officer).**

20. With regard to the 47 additional posts proposed for the strategic deployment stocks, the Committee points out that the Secretariat arrived at this number based on the assumption that the strategic deployment stocks would be established and maintained for one complex and one traditional mission. The Committee, in paragraph 26 of its report (A/56/902), recommends that the General Assembly endorse the concept and implementation of the strategic deployment stocks for one complex mission only. The Committee was informed, upon enquiry, that the cost of maintenance of the strategic deployment stocks for one complex mission, including staff costs, is estimated at $1,654,400 for the budget period 2002/03, which would provide for 40 additional posts (13 international and 27 local), broken down by grade and organizational unit as follows:

	D-1	*P-4*	*P-3*	*Field Service*	*Local*	*Total*
Chief Administrative Officer	1	-	-	-	-	1
Office of the Chief Logistics Officer*	-	-	1	-	2	3
Personnel and Travel Section	-	-	-	-	2	2
Finance Section	-	1	-	-	3	4
Procurement Section	-	1	-	-	4	5
Engineering Section	-	1	-	-	-	1
Transport Section	-	1	-	3	4	8
Supply and Property Management Section	-	1	2	-	12	15
Electronic Support Services Section	-	1	-	-	-	1
Total	**1**	**6**	**3**	**3**	**27**	**40**

* In addition, a P-5 post currently assigned to the Chief Administrative Officer is proposed for redeployment to this Office.

21. **The Committee finds the presentation of a request for a new D-1 post for the Chief Administrative Officer at UNLB, as proposed in paragraph 6 of annex I.D to the Secretary-General's report on the proposed budget, with the simultaneous proposed redeployment of the existing P-5 Chief Administrative Officer post for a chief logistics officer (see paragraph 53 of annex I.D to the Secretary-General's report) to be unnecessarily complicated and confusing. The Committee is therefore treating the request in paragraph 6 of the**

Secretary-General's report as a post reclassification from the P-5 to the D-1 level and the proposal in paragraph 53 as a request for a new P-5 post. On this basis, the Committee has no objection to the reclassification of the P-5 post of the Chief Administrative Officer of UNLB to the D-1 level and to the establishment of a P-5 post for a chief logistics officer.

22. **In addition, there are several other new posts proposed for establishment at a higher level for functions that already exist and are currently being carried out at a lower level. For example, five out of six P-4 posts requested for strategic deployment stocks are proposed for sections currently headed by staff at the P-3 level (Finance, Procurement, Engineering, Supply and Property Management and Electronic Support Services). Since, in the opinion of the Committee, the case for additional staff in those areas has not yet been made, the Committee regards these five proposals as requests for reclassifications of the existing posts only, and on that basis has no objection to reclassification. It requests that, in future, established budget practice for the presentation of requests be maintained.**

23. **The Advisory Committee also recommends the establishment of one P-4 post for a chief of the Transport Section, one P-3 post in the Office of the Chief Logistics Officer, two P-3 posts in the Supply and Property Management Section, three Field Service posts in the Transport Section and 12 Local posts to be assigned to priority areas of UNLB operations. Thus, the Advisory Committee's recommendations on staffing requirements of UNLB relating to strategic deployment stocks for one complex mission are as follows: 20 new posts (one P-5, one P-4, three P-3, three Field Service and 12 local) and six upward reclassifications (one D-1 and five P-4). The Committee stresses that its recommendations with regard to the new posts for strategic deployment stocks should at this stage be considered provisional, and the need for their continuation should be justified in the next budget submission for UNLB.**

24. Paragraph 4, of the Secretary-General's report on the proposed budget outlines the action to be taken by the General Assembly at its fifty-sixth session. **Taking into account the comments, observations and recommendations above, the Advisory Committee recommends that the General Assembly approve the cost estimates for the UNLB in the amount of $14,293,200 gross ($13,216,200 net) for the period from 1 July 2002 to 30 June 2003.**